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VOLUME NO. 3
(Pages 381 to 543, inclusive)

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EXPLANATORY NOTES

OF

INCREASES, DECREASES, AND CHANGES IN LANGUAGE

IN THE BUDGET FOR THE

DEPARTMENT OF AGRICULTURE

FOR THE

FISCAL YEAR ENDING JUNE 30, 1937

AND OF

WORK DONE UNDER EACH OF THE APPROPRIATION ITEMS

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BUREAU OF BIOLOGICAL SURVEY

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation Act, 1936.	$79,595
Budget Estimate, 1937.	125,000
Increase.	45,405

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
General administration and business service.....	$77,563	$79,595	$125,000	+$45,405 (1)
Unobligated:				
Legislative impoundments....	50	- - -	- - -	- - -
Other amounts unobligated...	46	- - -	- - -	- - -
Total	77,659	79,595	125,000	+ 45,405

(1) An increase of $45,405 to provide for the business administration of the Bureau. The present appropriation is inadequate to meet the demands of administrative work, and it has been necessary to draw on emergency and other funds to make up the shortage. Even with this assistance a great deal of overtime work has been necessary. Overtime from July 1 to November 30 amounted to approximately 1,400 hours, or 200 seven-hour days. It is highly unsatisfactory in the interests of efficient organization for the administrative functions of the Bureau to be supported even partially by appropriations made primarily for other lines of work. Such funds, moreover, can be used only to a limited extent without seriously interfering with the field activities. The increase requested is to provide needed assistance in handling the accounting work, auditing of vouchers, personnel work, purchase and accountability of property, and the mails and files of the entire Bureau. Most of the 28 additional employees needed will be paid salaries of the lower clerical grades. Such services are absolutely essential to the efficient execution of the Bureau's administrative and business activities and for necessary equipment and supplies. The total appropriation requested -- $125,000 -- is less than 2 percent of the regular funds available for expenditure by the Bureau based on present estimates and including the balance of the $6,000,000 appropriation provided by the Act of June 15, 1935 for the acquisition of wildlife refuges that will be actually disbursed during the fiscal year 1937.

WORK DONE UNDER THIS APPROPRIATION

The work under this appropriation relates chiefly to general administration under the Chief and Associate Chief of the Bureau; business administration, including the handling of personnel matters, budget, and other matters pertaining to finances, bookkeeping, auditing of accounts, preparation of payrolls, property and purchases, mail and files, securing of quarters, and coordination of divisional activities. This appropriation is necessary to pro-

vide for the payment of salaries, traveling, and other expenses for the general administrative force of the Bureau and of the various units thereunder; for the purchase of supplies and equipment, and for the maintenance expenses of the various units.

(b) MAINTENANCE OF MAMMAL AND BIRD RESERVATIONS

Appropriation Act, 1936.	$56,727
Second Deficiency Act, 1935 (available in 1936 for purchase of elk feed).	25,000
	81,727
Allotments from:	
"Upper Mississippi River Refuge" (maintenance work).	+34,683
"Bear River Migratory Bird Refuge" (entire item - for maintenance work). . .	+16,559
Total available, 1936.	132,969
Budget Estimate, 1937.	370,872
Increase.	237,903

Note: The foregoing allotments are carried forward by means of transfers in the estimates for 1937.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Maintenance of mammal reservations.....	$62,201	$69,727	$130,127	+$60,400(1)
Maintenance of bird refuges	11,455	12,000	187,245	+175,245(2)
Maintenance of Upper Mississippi River Wildlife Refuge....	33,181	34,683	35,500	+ 817(3)
Maintenance of Bear River Migratory Bird Refuge.....	16,128	16,559	18,000	+ 1,441(4)
Total obligations.....	122,965	132,969	370,872	+237,903
Unobligated:				
Legislative impoundments	50	- - -	- - -	- - -
Other amounts unobligated.....	816			
Total	123,831	132,969	370,872	+237,903

The increase of $237,903 for 1937 includes:

(1) An increase of $60,400 for maintenance of mammal reservations, as follows:

(a) $35,000 for the maintenance of the Wichita Mountains Wildlife Refuge, including salaries of personnel, labor, equipment, and maintenance expenses.

The administration of the Wichita National Forest and Game Preserve has been transferred as the Wichita Mountains Wildlife Refuge from the Forest Service to the Biological Survey for administration as a wildlife refuge and experiment station. The Bureau has no funds available for its maintenance. The refuge is in excellent physical condition but funds are needed for its upkeep, for the employment of personnel and labor, and for the purchase of necessary equipment to adequately meet the requirements connected with its maintenance and for handling the problems incident to the heavy volume of recreational and other uses of the area by the public.

(b) $20,000 for maintenance of various wildlife refuges. It is essential to provide more adequate equipment for use in fire prevention and for labor in the construction and maintenance of additional fire guards and trails at the Bison Range, Sullys Hill Game Preserve, Niobrara Game Preserve, Chas. Sheldon Wildlife Refuge, and the Hart Mountain Antelope Refuge. With the aid of emergency funds and through E. C. W. programs at many of the refuges, systems of roads, trails, fireguards, and other improvements and developments have been constructed or provided for at various refuges and big-game preserves. Roads, trails, and fireguards have been systematically planned, constructed, and enmeshed so as to provide the maximum protection in case of range fires, which have proved so destructive in numerous instances where these checks were not available. The maintenance of these features in first-class condition is essential to promote their greatest usefulness. In many instances it is necessary to extend these improvements and developments to provide full protection to various areas.

(c) $5,400 for the Elk Refuge, near Jackson Hole, Wyoming. The acquisition of some 20,000 acres of land as an addition to the Elk Refuge in Wyoming has been begun. As this land is acquired during the next year or so, much work in the way of development and improvement will be necessary to bring it into the earliest possible production of hay and feed for the animals, for which there is urgent need. As the acquisition work proceeds, it will be necessary to provide equipment and labor to clean up, irrigate, re-seed, harvest hay, and feed elk on the new areas.

(2) An increase of $175,245 for the maintenance of new bird refuges acquired under special funds. Forty-three new bird refuges will be ready for administration in 1937. It is necessary that these refuges, when acquired, be placed under immediate administrative maintenance and development in order that they may at once begin to function to the benefit of migratory waterfowl, which are now at such low ebb, and to prevent encroachments on these areas which would impair their usefulness for the purpose for which they were created. Refuge managers should be placed in charge of the new refuges and be provided with necessary labor and patrolling assistance. Additional equipment, such as tractors, trucks, plows, and seeding and harvesting machinery necessary in providing waterfowl foods supplementary to natural foods (which are from seven to ten years in appearing on newly rehabilitated areas) will need to be provided. Moreover, to be effective, refuges should be properly marked with enamel signs capable of withstanding the elements for many years, and portions of refuges should be properly fenced against livestock of all kinds to prevent the denudation of areas of the proper cover for wildlife.

(3) An increase of $817 for maintenance of the Upper Mississippi River Wildlife Refuge. This amount is needed to extend the biological rehabilitation of the refuge, including a more intensive propagation of migratory

waterfowl and upland game foods and the production of necessary seeds, nursery stock, etc, for later use in reforestation and erosion control.

(4) An increase of $1441 for maintenance of the Bear River Migratory Bird Refuge, to apply on the salary of a trained waterfowl biologist for the direct... rehabilitation of the refuge, including the planting and preservation of waterfowl food plants, improvement of nesting areas, etc.

CHANGES IN LANGUAGE

The estimates provide for combining the appropriations for the administration of the Upper Mississippi River Wildlife Refuge and the administration of the Bear River Migratory Bird Refuge with the existing appropriation for maintenance of mammal and bird reservations. This action is recommended for the fiscal year 1937, so that all activities of a related nature may be covered, as far as practicable, by one appropriation item in place of several. Language has also been inserted to cover the maintenance of the Wichita Mountains Wildlife Refuge, the administration of this area having been transferred by the Secretary of Agriculture from the Forest Service to the Biological Survey on April 1, 1935; and authority to expend $1,000 from this appropriation for maintenance of the herd of longhorned cattle on the Wichita Refuge, carried for several years past under the Forest Service, has been transferred to this item.

WORK DONE UNDER THIS APPROPRIATION

General.--Work under this appropriation consists of the administration of wildlife refuges which were selected for their suitability for forms of wildlife that had become greatly reduced in numbers of where notable colonies of birds or mammals requiring protection existed. Six big-game preserves have been established, and land for a seventh, Hart Mountain Antelope Refuge, is being acquired. On four of these preserves herds of buffalo, elk, and other big-game animals are maintained under fence. The administration of the Upper Mississippi River Wildlife Refuge and the Bear River Migratory Bird Refuge will also be carried on under this appropriation in 1937. In addition to these refuges, some 43 new migratory waterfowl refuges purchased under the special appropriation contained in title VII of Public No. 148, 74th Congress, will be ready for administration under this appropriation on July 1, 1936. Activities under this appropriation consist of general administration of the refuges, their patroling and posting, the construction of improvements thereon when funds are available, such as buildings, fences, dikes, dams, and reservoirs for water conservation, watering places for animals, roads and trails, etc.; repair of such improvements; raising of hay and the feeding of big-game animals; propagation of equatic food plants and raising of grain for waterfowl; reforestation and fire prevention and control; removal of surplus animals; and restocking of areas through the transfer of big-game animals from other points. It is the responsibility of the Biological Survey to give protection to wildlife on these refuges, which have been established under Acts of Congress and by Executive Orders, and to carry out the purposes for which they were established--the perpetuation of species and the prevention of their extinction.

Maintenance of Mammal Reservations.--The big-game preserves administered under this project include the National Bison Range (Montana), the Elk Refuge (Wyoming), Sullys Hill Game Preserve (North Dakota), Niobrara Game Preserve (Nebraska), Chas. Sheldon Wildlife Refuge (Nevada), and in the fiscal year

1937 the Wichita Mountains Wildlife Refuge (Oklahoma) and the Hart Mountain Antelope Refuge (Oregon).

The National Bison Range, which includes an area of 18,522 acres, was established by Act of Congress of May 23, 1908, primarily for the perpetuation of the American bison (or buffalo), which species was threatened with extinction. Herds of elk, deer, and mountain sheep are also maintained for the benefit of the American public and for preserving these distinctive North American big-game animals for posterity. Great numbers of wild ducks resort to the stream flowing through the range and adjacent marshes. Ring-necked pheasants, native grouse, and Hungarian partridges are also found on the preserve. The Bison Range is of value not only in the perpetuation of the species mentioned but in enabling the public to view these native big-game animals maintained as nearly as possible under natural conditions.

The Elk Refuge, 4,557 acres in extent, located in Jackson Hole, Wyoming, is maintained for the preservation of the last great herd of elk in the United States. This is the last stand of one of our most interesting species of native big-game animals, and the herd claims the interest of sportsmen, tourists, and the general public. During the winter months thousands of elk come to the Jackson Hole region for feed when forced out of the adjacent mountains by snow. In order to prevent starvation of thousands of elk and also to prevent the elk from depredating upon adjacent ranches, it has been necessary for the Government to raise hay on the refuge for winter feeding. The amount of hay that can be harvested on this area, however, is entirely inadequate for caring for the elk during very hard winters, and this condition has necessitated the purchase of hay and other feed. An addition appropriation of $25,000 for the fiscal year 1936 was made in the Second Deficiency Act for the purchase of feed for the elk. The transfer of $18,800 from other appropriations, in addition to an allotment of $10,000 from Public Works funds during the fiscal year 1935, was required to provide necessary feed. The southern yellowstone or Jackson Hole elk herd, of approximately 22,000 animals, is one of the country's most important big-game assets, and its perpetuation is an important phase of the Biological Survey's work.

Sullys Hill Game Preserve (1,600 acres in area) is located on lands that were formerly established as Sullys Hill National Park but which were transferred to the jurisdiction of this department of Act of March 3, 1931. It contains small herds of buffalo, elk, and antelope and a few deer. The lake within the preserve is frequented by various species of wild ducks during migration. Sullys Hill Game Preserve, because of its recreational facilities and wildlife, is most attractive to tourists and the people of North Dakota and nearby States, 15,118 persons having visited the Preserve during 1935.

The Niobrara Game Preserve, consisting of an area of 16,125 acres, was established and is maintained to perpetuate bird life and game animals characteristic of the sandhill regions and plains of Nebraska. Herds of buffalo, elk, and antelope and a few deer are maintained at this preserve. In the winter large numbers of wild ducks take refuge on the small ponds on the reservation, as well as along the Niobrara River, which runs through the reservation for a distance of about 9 miles. Native game birds, including grouse, prairie chickens, ring-necked pheasants, and quail, are found on the area. This preserve is the most conveniently located from the

standpoint of availability to the public of any of our big-game areas and has proved most attractive to visitors and tourists.

The Chas. Sheldon Wildlife Refuge, located in Washoe County, Nevada, embraces 30,700 acres. Through the cooperation of the National Association of Audubon Societies and the Boone and Crockett Club, lands were purchased and donated to the Government, and by Executive Order of January 26, 1931 Federal land in this area was set aside for the establishment of the refuge. It is primarily a summer range for antelope and sage hens (a species fast disappearing in this region), but many other birds and animals find refuge there. This refuge is of vital importance in the matter of preserving in their native haunts this remnant of the beautiful pronghorns and other wildlife of the region for posterity.

Wichita National Forest and Game Preserve: the administration of this refuge has been transferred from the Forest Service to the Biological Survey as the Wichita Mountains Wildlife Refuge. Because of its advantageous location and the numerous species of mammals and birds represented here, this will constitute one of the most important wildlife research units in the world. At the present time the area comprises 61,480 acres. Herds of buffalo, elk, and Texas longhorns are maintained under fence, and large numbers of deer, wild turkeys, and other species are found at large on the refuge. The southern portion of the area is also extensively used for public recreational purposes. The developments for water conservation, which have resulted in the formation of a number of small lakes ranging in area from 1 or 2 acres to 100 acres have greatly increased the attractiveness of the area. These water areas already have begun to attract waterfowl and other migratory birds and will doubtless draw large numbers of various species as food and cover develop therein. More than 350,000 persons annually visit the preserve.

The Hart Mountain Antelope Refuge is located in southeastern Oregon, in Harney County, and includes a total area of over 500,000 acres. The private lands within the area are being acquired under the provisions of Public 148, approved June 15, 1935, and the public land has been designated by Executive Order for wildlife refuge purposes in connection with the establishment of a grazing district under the Taylor Act. It comprises a portion of the winter range of the famous Hart Mountain antelope herds and many other species of wildlife, including deer, sage hens, and waterfowl, and other migratory birds. Improvements for the conservation of water and the establishment of several lakes will greatly increase the attractiveness of the region for many species of ducks, geese and shore birds. The importance of this area for the conservation of these species cannot be over-emphasized.

Maintenance of Bird Refuges.--Work under this project consists of administering, rehabilitating, and developing areas that have been set aside primarily for bird and migratory waterfowl refuges. The present available funds are only sufficient to provide full-time protector service on Big Lake Refuge, Arkansas; Lake Malheur Refuge, Oregon; and one protector collectively for Tule Lake and Clear Lake, California, and Upper Klamath Lake, Oregon, which are waterfowl-producing areas of tremendous importance in the present waterfowl crisis. Present funds also permit of only part-time protector service at Blackbeard Island, Georgia, and Savannah River Refuge, South Carolina. Under the National Migratory Waterfowl Restoration Program, financed by emergency funds, totaling $8,500,000 in 1935, these refuges were

rehabilitated and considerably enlarged and improved and made more serviceable to wildlife by large additions of land, water stabilization, and other forms of engineering and biological development. Some 65,000 acres, with a permanent water supply, were added to the Lake Malheur Reservation, bringing with it, for administration, a tremendous haying and grazing problem, which requires the services of a range expert. Forty-three new bird refuges will be ready for administration in 1937. It is absolutely necessary that these refuges, when acquired, be placed under immediate administrative maintenance and development in order that they may at once begin to function for the benefit of migratory waterfowl, which are now at such low ebb, and to prevent encroachments on these areas which would impair their usefulness for the purpose for which they were created.

Maintenance of Upper Mississippi River Wildlife Refuge.--This refuge embracing approximately 145,000 acres, lies in the overflow area of the Mississippi River in the States of Illinois, Iowa, Minnesota, and Wisconsin, the terminal point on the north being Wabasha, Minnesota, and Rock Island, Illinois, on the south, the Mississippi River winding through the heart of the refuge for a distance of nearly 300 miles between these points. The established purpose of the refuge was to preserve the characteristic and indigenous fauna and flora of the Mississippi Valley. With each succeeding year since its establishment it has become more important for migratory waterfowl. It is also one of the finest areas for the production of fresh-water fishes in America, both for commercial and sports fishing. It is an area of great scenic beauty and in reality serves as a great natural park to the citizens of all its bordering States.

The administration of this project includes the supervisions and intensive patrol of the area to protect its abundant wildlife; to prevent deforestation and despoliation; to adequately prevent and suppress forest fires; to regulate and supervise under a permit system as much recreational and social usage of the area as is compatible with the wildlife purposes of the area; to supervise public shooting grounds; to propagate and disseminate and preserve aquatic plants which are important in the production of waterfowl food; to raise large quantities of small grains as supplementary foods for the concentrations of waterfowl and other game species in this area; to take over and develop the lands acquired by the Government in connection with the Army Engineers Corps' development of the Mississippi pool system; to supervise the sale of excess products, such as timber, grazing, and forage production; and to do all things necessary to the maintenance of this large waterfowl refuge in the interests of wildlife conservation and production.

Maintenance of Bear River Migratory Bird Refuge.--The establishment of this refuge, which includes marsh and water areas totaling 56,255 acres, was urgently advocated by game officials, sportsmen, and other conservationists from the entire United States to eliminate the death trap for migratory and other birds which had long existed in the bay at the mouth of the Bear River, Great Salt Lake, Utah, and which in certain years of drought or unfavorable conditions often resulted in the death of from 150,000 to 250,000 waterfowl. The establishment of the refuge was authorized by Act of April 23, 1928 (U.S.C. Supp. 4, Title 16, Sec. 690-690h). It is undoubtedly our most important existing refuge from the standpoint of breeding and reproducing migratory waterfowl. It contains the greatest single concentration of red-head and cinnamon teal ducks in the United States, to

say nothing of many species of other waterfowl and migratory shore birds. It is a key feeding, nesting, and restoration concentration point for the waterfowl in the Pacific flyway. The annual production from this refuge is an important factor in the continued possibility of wildfowling as recreation in some six States. To remove the formerly existing death trap here and to greatly enhance and increase the carrying capacity of this area, an intricate, massive external and inner dike system was provided for the maintenance of five large pools of fresh water with an aggregate area of approximately 28,000 acres. Forty percent of this flooded area was allowed to be used as public shooting grounds by the 1928 Act of Congress establishing the refuge. The remainder is administered as an inviolate sanctuary.

The administration of the area includes the maintenance and surfacing of the dikes by class B and C riprap to prevent damage by wave action; the careful operation of control gates to provide the proper water levels for food production, nesting safety, and the release of flood waters; construction of patrol roads and paths; propagation and dissemination of duck-food plants; reduction of predators in the interests of increased nesting; patrol of the area against trespass and violation of refuge and migratory bird laws; supervision of the public shooting grounds; and within recent years, providing of study facilities for the large numbers and groups of wildlife students, nature lovers, and outdoor and sportsmen's organizations which frequent this great wildlife area. This project exists as a great demonstration area, impressing upon all who visit it the degree and success with which our wildlife resources can be wisely used and at the same time perpetuated by careful study and management.

EMERGENCY FUNDS

(1) Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
Public Works Allotments (National Industrial Recovery Act);		
Maintenance of mammal reservations: Completion of construction begun in 1934 of buildings, roads, trails, fences, fire prevention work, dams, wells, and other water development and conservation, feed production, etc., on big-game preserves	$29,687	$512
Maintenance of bird refuges: Completion of construction, begun in 1934, of buildings, fences, roads, fire prevention work, dikes, dams, wells, and other water development, and locating and marking boundaries of refuges	103,915	6,640
Maintenance of Upper Mississippi River Wildlife Refuge: Completion of work begun in 1934 of locating and permanently marking refuge boundaries to prevent trespass, and construction of fire lines	25,339	- - -
Maintenance of Bear River Migratory Bird Refuge: Completion of construction begun in 1934 of buildings, fences, roads, dikes and other water development and conservation work	8,806	566
Total, Public Works allotments (N.I.R.)	167,747	7,718
Emergency Relief and Public Works (Emergency Appropriation Act, 1935):		
Maintenance of mammal reservations: construction of roads, minor improvements, and general repairs	10,459	- - -
Maintenance of bird refuges: Construction of buildings, roads, and minor improvements, and water conservation work	48,248	- - -
Maintenance of Bear River Migratory Bird Refuge: Construction of buildings and general improvement work	83,524	- - -
Total, Emergency Relief and Public Works	142,231	- - -
Total, Emergency Funds (Direct Allotments)	309,978	7,718

(2) Indirect Allotments
(Financed through other Government agencies)

Projects	Obligated, 1935	Estimated obligations, 1936
Emergency Conservation Work (authorized by Act of March 31, 1933; allotment through War Dept):		
Work by Civilian Conservation Corps on:		
Mammal reservations	$78,979	$99,900
Bird Refuges	24,104	51,600
Bear River Migratory Bird Refuge	51,186	33,300
Total, Emergency Funds (Indirect Allotments)	154,269	184,800

(c) FOOD HABITS OF BIRDS AND ANIMALS

Appropriation Act, 1936	$60,640
Budget Estimate, 1937	60,640

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Investigations of economic relationships of birds and other animals	$33,600	$40,073	$40,073
Investigations of bird depredations and methods of control	12,100	14,658	14,658
Development of methods of improving and propagating food and cover for migratory birds and upland game areas	10,308	5,909	5,909
Total obligations	56,008	60,640	60,640
Unobligated:			
Lesiglative impoundments	100	- - -	- - -
Other amounts unobligated	241	- - -	- - -
Total	56,349	60,640	60,640

WORK DONE UNDER THIS APPROPRIATION

General.--In nearly all cases the most important relationship animals have to man is through their food habits. Some of the relationships are beneficial while others are highly injurious. The first requisite of game management is a determination of the food and feeding habits of the birds or animals considered. Without this information their increase or perpetuation may be difficult, if not impossible. It is only through possession of adequate information on food habits that we can intelligently define public policy

toward wildlife and wildlife management. There are 1,420 species and varieties of birds that frequent the United States, and of these we have made "fairly complete" to "excellent" food habit studies of some 250. There are also about 670 species of mammals and nearly 150 species each of reptiles and amphibians occurring within our borders. These all have a bearing on human life and happiness and some are of tremendous economic importance. Without a study of their food habits we cannot develop economic and practical plans of management. The continuance of food-habits research is needed not only to bring forth the virtually unknown economic significance of the many bird species which have not yet been studied and the mammals reptiles and amphibians that have been so largely neglected, but also to revise earlier studies based on insufficient material or that have lost their validity because of changes in agricultural or other conditions. Research in the food habits of wildlife should be kept abreast of current developments.

The greater significance attached to wildlife in modern public recreational programs and the increasing interest in hunting as a sport has increased many fold the demands for information on food habits. This information is of vital importance to all agencies, Government and otherwise, concerned with wildlife administration. Many requests for stomach examinations are made by State institutions, universities, and game organizations.

While birds are chiefly beneficial, some species habitually and others sporadically cause damage. Requests for their investigation and control are regularly received. This work in reference to migratory birds is an obligation of the Federal Government under the Migratory Bird Treaty Act.

As a part of the field research in food habits work, it is necessary to study the propagation of game birds and the character of the environment for supporting the maximum number, together with the possibilities for improvement. Under this appropriation studies are conducted and information made available on a variety of other related topics, such as means of attracting and increasing the numbers of wild birds and the care of cage and ornamental species.

Investigations of economic relationships of birds and other animals.-- The work of this project is vital to a proper understanding of the economic status of various species of birds, mammals, and reptiles as they relate to agriculture, horticulture, and forestry. Investigations and research into the food habits and cover requirements of the various wildlife species are a fundamental necessity in both appraising their economic status and in finding means of encouraging or discouraging their presence in a given area. On the basis of such research, means are devised for the improvement of natural food and cover conditions for beneficial species. These data form the basis for a determination of policies pertaining to the protection or control of the various wildlife species. The Migratory Bird Treaty Act, as well as other Federal and State legislation pertaining to the protection of bird life, is based on this information. To meet constantly changing agricultural conditions and to obtain necessary information on the economic status of species not yet studied and also to aid in the administration of the Migratory Bird Treaty Act, this project is of utmost importance. Wildlife research, of which food habit studies are fundamental, is the first step in order to obtain the maximum use of submarginal agricultural lands and to obtain the greatest use of the public domain.

The demands made for assistance in guiding the formulation of wildlife programs for Federal forest lands are constantly increasing. Food habits research is the basis for determining food requirements, which is of first importance in any management plan. In addition, the formulation of these programs requires detailed study and inspection of forest areas to appraise general wildlife conditions and also fundamental research to determine the most economical and satisfactory means of improving and maintaining desirable conditions.

Public interest in the preservation of wild animals is rapidly increasing, as shown by the increase in local, State, and Federal funds appropriated for the purchase of wildlife sanctuaries and refuges.

Investigations of bird depredations and methods of control.--Serious losses are caused by depredations of birds throughout the country, and investigations are necessary to determine the need for and extent of control, as well as to develop effective and selective methods for this purpose. This information is necessary to serve as a basis for the issuance of permits to destroy migratory birds that are responsible for damage. Investigations often reveal simple and effective preventive methods that make extreme measures of control unnecessary. Scientific investigations establish with certainty the species of birds involved in reported depredations, and thereby destruction of innocent species is frequently averted. In some sections it is virtually impossible to raise certain needed crops without some control or application of preventive measures. Research and experimentation are becoming increasingly necessary to control gregarious species, such as the European starling, that roost on buildings and trees in urban centers.

Responsibility for control of migratory species is, under the terms of the Migratory Bird Treaty Act, an obligation of the Federal Government. In the interest of wildlife, Federal guidance and cooperation with State and local Governments in directing control is urgently needed.

Development of methods of improving and propagating food and cover for migratory bird and upland game areas.--The development and maintenance of an adequate supply of food and cover is one of the first essentials of good wildlife management, and it is to this end that funds under this project are devoted. Efforts to restore favorable conditions for game species and other forms of wildlife require detailed knowledge of methods and means for maintaining adequate food supplies at all seasons and the development of proper cover types to insure balanced habitats for every month of the year. For the restoration of waning species of birds and animals and for the perpetuation of all species of wildlife, the studies conducted under this project are basic and indispensable.

The work not only involves fundamental research in planting and propagation of desirable wildlife foods but also includes studies to ascertain means of controlling undesirable or worthless plants which compete for dominance in wildlife habitats. Disease, climatic, and other factors frequently completely wipe out food resources from important wildlife areas. Investigation to determine the best means of restoring food supplies in such areas is an important phase of the work conducted under this project.

The establishment or restoration of a game species in sporting numbers is not only a boon to the American sporting public but may also be an economic factor of major importance. Submarginal lands may be made productive through proper wildlife management practices. The restoration and abundance of any species is primarily dependent on making available appropriate food and cover.

(d) CONTROL OF PREDATORY ANIMALS AND INJURIOUS RODENTS

Appropriation Act, 1936.	$600,000
Budget Estimate, 1937.	600,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Investigations of methods of control for predatory animals and injurious rodents.....	$23,049	$31,000	$31,000
Control of injurious rodents.....	185,973	229,590	229,590
Control of predatory animals.....	232,332	339,410	339,410
Total obligations.....	441,354	600,000	600,000
Unobligated:			
Legislative impoundments.....	950	- - -	- - -
Other amounts unobligated.....	689	- - -	- - -
Total	442,993	600,000	600,000

WORK DONE UNDER THIS APPROPRIATION

General.--The work under this appropriation consists of cooperation and demonstrations in the control of predatory animals and injurious rodents which are a serious menace to livestock, wild game, grazing lands, farm crops, fruit and forest trees, and stored agricultural products, as well as public health. Cooperative operations for the control of predatory animals and injurious rodents are carried on with Federal, State county, and private agencies. Demonstrations and advice on the best methods of controlling predatory animals and injurious rodents are given to public agencies and individuals. Appropriations for a ten-year program for the control of predatory animals and injurious rodents were authorized in the Act approved March 2, 1931 (46 Stat. 1468; U. S. C. Supp. Title 7, sec. 426).

Investigations of methods of control for predatory animals and injurious rodents.--Under this project important investigations are conducted to scientifically determine and improve methods of control of predatory animals and injurious rodents. A laboratory is maintained at Denver, Colorado, and four field investigators are engaged in this work in different sections of

the West. Experiments and tests are conducted in the field and laboratory to develop methods that will be more practical, economical, and efficient in control operations and at the same time result in a minimum of danger to harmless or valuable species of wildlife. Constant investigation and research are necessary to keep pace with the frequently changing conditions and practices. The work conducted under this project is of great fundamental value to the activity.

Control of injurious rodents.--The rodent control work of the Biological Survey is conducted under cooperative agreement with States, counties, livestock and farm associations, and individuals. The depredations of the rodent pests, such as prairie dogs, jack rabbits, ground squirrels, pocket gophers, field mice, and brown rats, cause vast losses annually to forage and farm products.

The drought in the West during the past few years caused rodents to migrate from the open range to the farming settlements, and these animals, especially jack rabbits, are taking a heavy toll from the farmers and stockmen. Funds provided by the States and other cooperating agencies for rodent-control operations during the present fiscal year total $522,801. Federal funds are used to control rodents on the public domain and in the supervision of work on State and private lands. Due to the danger incident to the use of poison if handled by inexperienced persons, the most careful supervision is absolutely necessary.

Control of predatory animals.--Under the Predatory Animal Control project a program of work is carried on for the control of coyotes, bobcats, mountain lions, wolves, and other predatory animals in the Western States where depredations of these animals cause great loss to livestock, game, and poultry. Predatory animal control is conducted in cooperation with States, counties, and livestock organizations. The low price of furs has discouraged private trappers from carrying on their usual trapping operations, and this together with a dimunition in the total of funds available from all sources, has resulted in increased damage to livestock, game, and poultry. The losses have been so severe that certain States have become discouraged and there is a tendency to revert to the bounty system, which has proven impractical and expensive and which is conducive to fraud and waste of public monies. The Federal Government has a distinct obligation in the control of predatory animals because these animals breed and range on Federally-owned lands, including national forests, Indian reservations, and the public domain. Private ranchers are unable to cope with the situation and provide funds to control these pests on the vast amounts of public lands throughout the West. Funds provided by States and other cooperating agencies for predatory-animal control operations during the present fiscal year total $368,203. The Biological Survey receives many requests from stockmen and farmers for aid in protecting their herds of livestock.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated 1935	Estimated obligations, 1936
Public Works Allotment, National Industrial Recovery Act, (transferred from Forest Service):		
Rodent control on the national forests.....	$119,925	$864
Loans and Relief in Stricken Agricultural Areas (transferred from Forest Service):		
Rodent control in connection with establishment of Great Plains shelterbelt.....	25,500	- - -
Total, Emergency Funds (Direct Allotments)...	145,425	864

(e) PRODUCTION OF FUR-BEARING ANIMALS

Appropriation Act, 1936.	$56,112
Budget Estimate, 1937.	77,612
Increase.	21,500

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Fur-animal restoration and production investigations.....	$12,200	$11,416	$11,416	- - -
Breeding, feeding, and management investigations in fur-animal production (Saratoga Springs, N.Y.).....	15,180	16,060	37,560	+$21,500(1)
Breeding, feeding, and management investigations in rabbit production (Fontana, Calif.)....	13,336	12,366	12,366	- - -
Investigations of diseases of fur animals.....	13,876	16,270	16,270	- - -
Total obligations.....	54,592	56,112	77,612	+ 21,500
Unobligated:				
Legislative impoundments.....	50	- - -	- - -	- - -
Other amounts unobligated.....	49	- - -	- - -	- - -
Total.....	54,691	56,112	77,612	+ 21,500(1)

(1) An increase of $21,500 for breeding, feeding, and management investigations in fur-animal production is needed to purchase the Fur-Animal Experiment Station at Saratoga Springs, N.Y. and for fencing the land and erecting a house for the superintendent. The Government leased 20 acres of improved land near Saratoga Springs, N.Y., for a Fur-animal Experiment Station on August 29, 1923, at an annual rental of $1,200, with option to renew the lease annually for a period of 15 years and also with an option to purchase the property for $10,000 at any time during this period. The owner has invested more than $12,000 in the property and the Government has invested $25,000 in temporary buildings, fur-animal pens, and other improvements. The property is specially equipped for a fur-animal experiment station and can be obtained at a much lower figure than any other suitable location. The estimate will permit the Government to obtain ownership of this desirable station before the option expires.

CHANGE IN LANGUAGE

Language has been inserted to authorize the purchase of the Fur-Animal Station at Saratoga Springs, N.Y., and for the erection of necessary buildings and other structures thereon, for which purposes an increase is being requested in the estimates for 1937.

WORK DONE UNDER THIS APPROPRIATION

General.--The work under this appropriation consists of research in connection with the production, conservation, and utilization of fur animals, including rabbits for meat and fur. Methods employed in the production on fur farms and protected areas are investigated and studies are made of methods of breeding, feeding, and handling of fur animals in captivity on farms. Research is conducted in the diseases of fur animals and rabbits to ascertain causes and develop methods of treatment and prevention so as to minimize losses to breeders from such causes. A fur-animal experiment station is operated near Saratoga Springs, N.Y., and a rabbit experiment station is maintained at Fontana, California. From the results of studies conducted at these stations recommendations are made for the guidance of farmers and tradesmen.

Fur-animal restoration and production investigations.--The objects of this project are: (1) In view of the commercial importance of fur in industry, to emphasize the need of maintaining the supply of raw material; (2) to explain methods by which this supply may not only be maintained in quantity but improved in quality; and (3) to conduct research in the field, laboratory, and on experimental farms in the production of fur animals.

Results are obtained by conducting complex and comprehensive experiments designed to determine fundamental principles of fur-animal production. The researches include (a) feeds and feeding; (b) genetics; (c) embryology; (d) fur technology; (e) economic problems in management and operation; (f) fur cleaning and storage; (g) statistics. Surveys are made of areas in which fur animals are found naturally, also on adjacent areas of privately or Government-owned land, to determine the status of these animals and their relation to other forms of wildlife, the advisability of restocking, methods of trapping alive for restocking, and adjusting to other forms of wildlife.

Breeding, feeding, and management investigations in fur-animal production (Saratoga Springs, N.Y.).--Work under this project is chiefly research in feeding, breeding, and handling fur animals in captivity. Experiments are conducted with various species to determine the most satisfactory methods of raising fur animals in captivity; ascertaining conditions under which the various species can be raised profitably and produce good fur; developing improved strains by selective breeding, and learning the breeding, gestation, whelping, and prime-fur periods.

The station is not operated as a farm for commercial profit through the sale of either breeding stock or pelts, but all energies are directed to developing economical methods of producing fur of fine quality. This is accomplished by conducting experiments in feeding, breeding, and management with the various species of fur animals. Observations are also made on fur farms in the United States and foreign countries. The surplus animals at the station are pelted, but the proceeds from the sale of skins are deposited in the United States Treasury and are not available for expanding the work of the station. No live animals are sold for any purpose.

Raising fur animals is an important and valuable farm operation, not only because it supplements the natural supply but because the land utilized is usually of little value for crop growing. Fur farming has become a permanent addition to agricultural development, and it is not in competition with any other type of farming. It is established in 35 States.

There are approximately 20,000 fur farms in this country with an approximate investment of $50,000,000. The industry is represented by 3 national, 15 regional, and 16 State associations. Fox farmers harvested 170,000 silver fox pelts in 1934-35, and the total value was approximately $7,000,000.

Breeding, feeding, and management investigations in rabbit production (Fontana, California.).--The purpose of this project is to develop improved methods of breeding, feeding, housing, and management of rabbits for the purpose of assisting those engaged in the business to produce profitably meat and fur of fine quality; to produce rabbit meat so economically that it can be sold at a price that will be well within the reach of the consumer; to improve the quality of fur so that it will be in demand by the fur trade; and to determine the relative value of rabbit manure in comparison with other manures.

Actual experiments in breeding and feeding are conducted at the station in Fontana with rabbits representing the various utility breeds. Some of these experiments are designed to determine the relative value of various protein concentrates in feeding rabbits; feed requirements and rate of gain in developing weaned rabbits to a weight of six pounds; the desirability of does producing 4, 5, or 6 litters a year; comparative value of raw and dressed rabbit skins produced by various methods of feeding and breeding. Such experiments as these and many more are continuously in progress at the station.

This is a cooperative undertaking with theFontana Farms Company and the local rabbit breeders' organization. The equipment furnished by the Fontana Farms Company includes a five-acre tract of orange groves, administration building, with offices and accommodations for laboratories, a residence for the director and his family, and various open and closed types of houses for

shelter. The rabbit breeders donated the original stock. The activities of the station are concerned chiefly with the gathering of facts affecting those engaged in the production of domestic rabbits for food and fur. Closely cooperating with the station, in addition to the Fontana Farms Company, are national and State organizations, scientific societies and institutions, and agricultural colleges, whose object is to develop rabbit raising.

Investigations of diseases of fur animals.--The work under this project consists of investigations of diseases of fur animals and diseases of rabbits. Fur farmers are constantly appealing to the Federal Government for aid in checking the outbreaks of diseases which annually take a heavy toll from their stock and on frequent occasions reduce these enterprises from a profitable undertaking to a loss. Numerous fur farms have been forced into bankruptcy because of disease outbreaks. Owners of trapping lands have demonstrated that diseases peculiar to these species, as well as others acquired from domestic stock, are directly responsible for reducing the quality as well as the numbers of these species. Laboratories are maintained at Washington, Minneapolis, and Fontana for disease studies, and research is conducted in conjunction with cooperating institutions for the reduction of abnormal losses in fur animals. Continued work in this field is essential in order that the fur resources of the country will not be seriously depleted.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935
Public Works Allotments (National Industrial Recovery Act):	
Fur-animal restoration and production investigations: Completion of construction, begun in 1934 of pens, fences, and buildings at Blackwater Refuge Experiment Station.....	$644
Breeding, feeding, and management investigations in fur-animal production: Completion of construction, begun in 1934, of pens and feed storage building, and repairs to pens and fences at Fur-animal Experiment Station, Saratoga Springs, N.Y.	716
Breeding, feeding, and management investigations in rabbit production: Completion of construction, begun in 1934, of pens, hutches, and feed storage building, and repairs to hutches and pens at Rabbit Experiment Station, Fontana, California.....	349
Total, Emergency Funds (Direct Allotments).....	1,709

(f) BIOLOGICAL INVESTIGATIONS

Appropriation Act, 1936	$118,149
Budget Estimate, 1937	158,149
Increase	40,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Life history, taxonomic, and distributional studies of wildlife	$34,347	$37,971	$37,971	- - -
Game management surveys	9,000	8,000	48,000	+ $40,000 (1)
Research in wildlife management (cooperative)	500	42,000	42,000	- - -
Investigations of wildlife resources of Alaska	14,610	14,440	14,440	- - -
Research in forest wildlife relationships	15,255	15,738	15,738	- - -
Total obligations	73,712	118,149	158,149	+ 40,000
Unobligated:				
Legislative impoundments	200	- - -	- - -	- - -
Other amounts unobligated	161	- - -	- - -	- - -
Total	74,073	118,149	158,149	+ 40,000 (1)

(1) An increase of $40,000 to extend game management surveys. Government agencies responsible for management of Federal lands now recognize the great importance of wildlife as a crop in land use and are making insistent demands upon the Biological Survey for technical advice in working out their management programs. This demand is coming from agencies such as the Forest Service, the Resettlement Administration, the Tennessee Valley Authority, and other Federal Agencies, and many State game commissions, conservation organizations, and groups of farmers. The present personnel is entirely inadequate to meet the need for this service in developing and maintaining the wildlife of the country. These surveys will apply to big-game animals, upland game birds, fur-bearers, and other wildlife resources, which are of vast economic and recreational importance. The object will be to put into effect programs that will make possible maximum production from forest and grazing lands through correlation of wildlife production with other land uses. Wildlife can be made to yield a large annual crop of game on publicly owned lands with a high recreational and economic value, for which there is strong demand, without any interference with other uses or competition with other products of the land. The surveys proposed in this project are absolutely essential to secure a basis for practical development of these valuable natural resources.

WORK DONE UNDER THIS APPROPRIATION

General.--Field and laboratory investigations are made of the distribution, migration, classification, life history, and relations of wild animals and birds and of the natural life zones of the Continent. This work provides a sound basis of scientific fact required for use in the regulatory, economic, educational, and other work of the Bureau. It includes a special study of the relationships of wildlife to forest and grazing ranges, including investigations of game and fur-bearing animals as sources of profit on marginal or other lands and in Alaska investigations of reindeer, caribou, and muskoxen and of the forage resources of the Territory. Its continuance is essential as a basis for effective conduct of the scientific, educational, control, and regulatory work of the Bureau.

Life history, taxonomic, and distributional studies of wildlife.-- The wildlife of the country constitutes a natural asset of great value but includes also destructive forms which cause heavy losses to agriculture, forestry, and livestock production. Reliable information regarding the habits and distribution and accurate determination of species concerned are essential to efficient administration and to progress in scientific undertakings for which the Bureau is responsible. Work under this project is so conducted as to make available accurate identification service and reliable information to guide the Biological Survey and all other agencies concerned with the administration of wildlife resources, including control, conservation, and use. The extensive collections of birds and mammals are used for reference and comparison and in scientific work on taxonomy, distribution, and life-zone problems. Specimens of species involved in scientific, control, and regulatory work are identified, and material is prepared as memoranda and for publication as needed for scientific, educational, and administrative purposes. The scientific work under this project is of fundamental importance to all phases of the Bureau's service and educational program.

Game management surveys.--Studies are made of game and fur-bearing animals and other useful forms of wildlife on national forests, wildlife refuges, and other Federal lands as a basis for plans to increase the production of these valuable products as a supplementary land crop. Information is obtained regarding present numbers of these species, their food and cover requirements, feeding and breeding habits, and the relationship of predatory species, livestock grazing, and other agricultural practices in the use of land to maximum production for food, fur, and recreation. The purpose is to prepare management programs that will make possible maximum production, sustained yield, and profitable use of these wildlife resources as an annual crop on Federal owned lands and to determine principles of wildlife management that may be applied on State and private lands in restoration and maintenance of a sufficient production to meet the strong and steadily increasing recreational and industrial demand.

The great importance of wildlife as an annual crop in land management is now recognized, and greatly increased and insistent demands are being made upon the Biological Survey for technical assistance and guidance in working out management practices and programs. This demand is coming from all agencies of the Federal government responsible for land administration and from State game commissions, conservation agencies and farmers' organizations. The information is also required by the Biological Survey for use in establishing

and managing the comprehensize system of wildlife refuges provided for by recent Congressional legislation. The practical possibilities can be developed only after adequate field surveys of big-game animals, upland game birds, fur-bearers, and other wildlife resources of the specific areas of forest and grazing lands and correlation of wildlife production with other local land uses. This can be done in the interest of a broad national program for restoration of land and wildlife resources and without interference or competition with other uses or products of the land and at the same time meet a strong social and economic demand.

Research in wildlife management (cooperative).--This project, started in the fiscal year 1936, provides for the cooperation in research and practical application of the results by means of demonstration of improved methods of producing game, fur-bearers, and other valuable wildlife between the Biological Survey, selected agricultural colleges, State game departments, and the American Wildlife Institute.

The plan contemplates that approximately $18,000 will be provided by the cooperating agencies for the operation of each unit. Federal funds in the amount of $42,000 and the amount of $30,000 by the American Wildlife Institute were provided for the fiscal year 1936, which will allow for the establishment of nine research stations. The personnel will work on fundamental wildlife management problems and the practical application of the results of all wildlife research at the stations and elsewhere to local conditions. Demonstrations and instructions will be used to acquaint land holders with the methods and practices which will produce maximum results in their section.

One of the urgent needs of our present shifting economy is the development of supplementary sources of land income which will not compete with things already produced. A program of wildlife management to produce small farm game and fur animals fits admirably into such a program without interference with the present use of the land. For example, erosion can be controlled by planting trees, shrubs, or herbaceous plants. If these be selected with an eye to the food and cover needs of birds and animals, they will serve a double purpose. The farm woodlot can be so managed as to make ideal habitat for game and fur animals without interfering at all with the production of wood and posts. We have lacked a mechanism to carry the knowledge of these things to the land owner with graphic visual demonstrations. These new cooperative units fill that need. Colleges and game commissions have recognized the need for this work.

Investigations of wildlife resources of Alaska.--The purpose of this project is to make thorough studies of the game, fur-bearers, and other interesting and valuable species native to the Territory of Alaska, of re-stocking and management possibilities for valuable wildlife, of the food resources available for wildlife, and the relationship of reindeer, muskoxen, or other grazing animals to the welfare of the vastly important and valuable wildlife and forage resources of the Territory. Management plans are developed based on the results of these investigations for guidance in administration.

Field studies are made of the life history and habits, abundance and distribution, the economic values and production possibilities, food resources available, and numbers of valuable wildlife species that should be maintained and harvested under proper management.

Alaska is the last remaining wildlife frontier region of North America belonging to the United States. The value of its fur-bearers, big game, and game birds is estimated at $93,318,500, and the annual crop taken in game and fur-bearers is valued at over three million dollars.

Research in forest wildlife relationships.--Work under this project was established by the McNary-McSweeney Act (U. S. C., Supp. 7, title 16, sec. 581d). This fundamental work on the relation of wildlife to forests, grazing ranges, and watersheds includes determination of ways and means for production on forest lands of valuable species of game and fur-bearing animals and investigations of beneficial or harmful relationships of these and other animal forms to forest and range production and protection of watersheds. Destructive activities of rodents and predatory animals and birds and the compensating beneficial habits are thoroughly studied and analyzed. The abundance, distribution, movements, and habits of wildlife forms occurring on the forest and range areas are under intensive study based on collections, live trapping, controlled experiments, and field operations, coupled with accurate identification of all species involved. Such problems as the role of rodents and birds in forest reproduction, both by destruction of seed and seedlings and as planting agencies, the range carrying capacities for big-game animals such as elk and deer, and the competition that exists between various kinds of wildlife and domestic stock are under careful investigation. Vigorous prosecution of this investigational program is essential to profitable administration, development, control, and use of wildlife occurring on forest and range lands and to the adoption of sound management practices.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935
Public Works Allotments (National Industrial Recovery Act):	
Completion of construction, begun in 1934, of headquarters and field laboratory for biological studies at Flagstaff, Arizona.....	$804

(g) PROTECTION OF MIGRATORY BIRDS

Appropriation Act, 1936	$222,978
Budget Estimate, 1937	322,978
Increase	100,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Enforcement activities under the Migratory Bird Treaty Act	$114,172	$174,978	$240,978	+$66,000 (1)
Enforcement activities under the Lacey Act	13,017	15,000	29,000	+ 14,000 (2)
Investigations of distribution, migration, and abundance of migratory game and other birds protected by the Migratory Bird Treaty Act	34,237	33,000	53,000	+ 20,000 (3)
Total obligations ...	161,426	222,978	322,978	+100,000
Unobligated:				
Legislative impoundments ...	400	-	-	-
Other amounts unobligated ..	1,238	-	-	-
Total	163,064	222,978	322,978	+100,000

The increase of $100,000 for 1937 includes:

(1) An increase of $66,000 for more adequate enforcement of the Migratory Bird Treaty Act. It is necessary, particularly in view of the serious decrease in the wildfowl population and the need for efficient enforcement of the Federal regulations, that the permanent force of game management agents be enlarged. This increase will permit the employment of seven men who will be placed in localities of migration and concentration of waterfowl near centers of large population, where violations by hunters are occurring or are likely to occur. Many of the areas within flyways, as well as the breeding and wintering areas, are inadequately protected at the present time. This increase will also make possible the employment of sixteen additional deputy game management agents who will be employed in the eight regions into which the country is divided for law-enforcement purposes, who operate as flying squadrons for about six months of each year during the heavy hunting and migration seasons. This has proven an efficient system of patrol, although with funds available at present the flying squadron forces are not large enough for most effective work. Under the proposed increase it is planned to employ two additional deputies for each region. During the migratory flight, and particularly the open season, when the game agents are on active duty for long hours each day, working from early morning until late at night, they must be constantly on the alert for

violations. During this time these men must patrol almost continuously, covering wide areas. The increase in funds will provide for the necessary patrolling expenses of the additional men, as well as permit more extensive activities by the men at present employed. Additional funds for patrolling will enable the Bureau by greater use of its boats and cars to cope successfully with the large element of hunters who deliberately violate the laws in shooting for the market, shooting excess bag limits, hunting at night, shooting from motor boats, and using various other illegal methods.

(2) An increase of $14,000 to provide for more adequate enforcement of the amended Lacey Act. This will provide for the employment of three additional game management agents and cover their expenses. Increased duties under the statute as amended by Title II of the Act approved June 15, 1935, 74th Congress (49 Stat., 380-381) make it essential that game management agents be stationed in New York, Chicago, and St. Louis, as well as other points, to inspect interstate shipments of game and particularly fur shipments to receiving houses. New York, St. Louis, and Chicago are three of the largest fur receiving centers in this country. Millions of dollars worth of raw fur is sent to these cities from every State in the Union, Alaska, the Provinces of Canada, and foreign countries. The volume of work at the many raw fur receiving houses makes it imperative that a full-time agent be stationed at each one of these cities to check records and incoming and outgoing interstate and foreign shipments of furs which annually find their way to these markets. At the present time with funds available three of our regular enforcement agents are detailed to check these fur houses for a very limited period each year. The recent Act of Congress imposes additional duties and increased responsibilities on the Biological Survey, and constant checkups at receiving points will be necessary if any considerable progress in eliminating illegal traffic in skins of fur-bearing animals is to be accomplished, particularly in the new field of operations whereby transportation by private carriers is regulated.

(3) An increase of $20,000 for investigations of distribution, migration, and abundance of migratory game and other birds protected by the Migratory Bird Treaty Act. There is definite and urgent need that work under this project be expanded materially. Upon the results of investigations as to the numbers, habits, distribution, movements, and concentration areas of waterfowl depends the soundness of conclusions on which are based hunting regulations under the Migratory Bird Treaty with Great Britain, the location of migratory waterfowl refuges, and educational work required for the maintenance of this important natural resource. There is urgent need for additional trained biologists. The single field biologist employed under this project during the past year has conducted investigations in the western North American range of waterfowl from Great Slave Lake in the Northwest Territory of Canada to Yucatan and the Guatemala border in Mexico. This region is chiefly in the Pacific flyway and three biologists should be assigned to similar work in the Central, Mississippi, and Atlantic flyways in order to secure the specific information needed regarding waterfowl conditions in these regions. The work under this project is of direct interest and importance to many millions of American citizens, including conservationists and sportsmen who are interested in migratory waterfowl and upland game birds. The seriousness of the waterfowl situation during recent years has brought into prominence the vital character and value of the information secured through field investigations. Even the present depleted supply of migratory waterfowl is worth many millions of dollars annually in food and recreational values, and this can be multiplied several times through intelligent

management, based on complete and reliable information secured through these investigations.

CHANGE IN LANGUAGE

Language has been inserted to give necessary references to recent amendments to the Lacey Act contained in Title II of the Act approved June 15, 1935 (49 Stat. 380-381).

WORK DONE UNDER THIS APPROPRIATION

General.--The purpose of this appropriation is the enforcement of the Migratory Bird Treaty Act enacted by Congress July 3, 1918 to carry into effect the treaty with Great Britain for the protection of birds migrating between the United States and Canada; the enforcement of the so-called Lacey Act, being Sections 241, 242, 243, and 244 of the Act of March 4, 1909, as amended by Act of June 15, 1935; and the administration of Section 1 of the Act of May 25, 1900 relating to the introduction, distribution, preservation, and restoration of wild birds and the collecting and publishing of useful information as to their propagation, use, and preservation.

Work under the Migratory Bird Treaty Act includes the determination of open and close seasons for migratory game birds and the maintenance of a force of game management agents throughout the country for the protection of migratory game and non-game species. Investigations are made of the abundance, migratory movements, and conditions which affect ducks, geese, and other migratory birds protected under the Migratory Bird Treaty Act.

The Act of March 4, 1909, as amended by Act of June 15, 1935, prohibits the importation into the United States of birds and mammals which may be injurious to agriculture or horticulture; provides for regulating the entry of other foreign wild mammals and birds into this country; and prohibits the transportation in interstate commerce of game killed or shipped in violation of local laws.

Enforcement activities under the Migratory Bird Treaty Act.--Under the Migratory Bird Treaty with Great Britain, the Biological Survey is charged with the enforcement of Federal laws protecting migratory game and insectivorous and other non-game birds. Since the Act to give effect to the Treaty passed in 1918, there has been an increase in the number of licensed hunters in the United States from approximately 4,000,000 to about 6,500,000. Immense areas throughout the country which formerly were used as breeding and resting places for migratory birds have been drained or otherwise destroyed as wild bird habitats. With the diminution in the number of acres of this kind on which wild birds could find refuge, there has been a proportionate increased concentration of birds in the remaining localities, with the result that hunters have found it easier each year to locate large numbers of wild fowl for the purpose of hunting them. The necessity for more rigid enforcement of the Migratory Bird Treaty Act has increased accordingly.

It has been established by careful check and scientific investigation over a period of years that migratory waterfowl follow the same general flyways year after year in their migration from their breeding grounds in the North to

their wintering grounds in the South. There are four major flyways extending through the United States--the Atlantic, the Mississippi, the Central, and the Pacific. Each of these flyways is a great concentration area for birds during the fall and spring migrations. In addition to these areas of bird concentration, there are extensive breeding grounds in the United States. Naturally the great numbers of shooters are concentrated in such areas.

The enforcement of the Federal game laws along these flyways, in the breeding areas, and on the wintering grounds is one of the most important responsibilities of the Biological Survey in preserving the country's valuable species of migratory waterfowl and other birds. In the Mississippi flyway, which extends from Montana to Michigan southward through the States of South Dakota, Nebraska, Iowa, Illinois, Indiana, Missouri, Kentucky, Tennessee, and Arkansas to the wintering grounds along the Gulf Coast, the area becomes more constricted as the birds proceed southward. This fact, coupled with the large tributary breeding areas, is conducive to erroneous conclusions as to the abundance of birds and to excessive slaughter.

Enforcement activities under the Lacey Act.--The Biological Survey is charged with the enforcement of the Lacey Act (U. S. C., title 16, secs. 391-394), as amended by the Act of June 15, 1935 (Public 148-74th Congress) to prohibit the importation of wild birds and mammals which may be injurious to agriculture or horticulture, and to enforce the provision prohibiting the transportation in interstate commerce by any means whatever of game killed or shipped in violation of local laws. The suppression of illegal interstate shipments of wild animals or parts thereof is of inestimable benefit to the various States and is of great value in assisting in the maintenance of supplies of fur-bearing animals and game. The records of fur dealers, express companies, etc., are examined for the purpose of obtaining evidence of such illegal shipments with a view to prosecution. If it were not for the vigilance of the Federal personnel engaged in this particular work, the maintenance of an adequate supply of beaver and other highly valuable fur-bearing animals would be greatly endangered. Inspection service maintained at principal ports of entry for the purpose of stopping the introduction into this country of injurious species of wild birds and mammals is vital to the welfare of the farmer and horticulturist.

Investigations of distribution, migration, and relative abundance of migratory game and other birds protected by the Migratory Bird Treaty Act.--Investigation of the yearly fluctuation in the numbers of the different species of game waterfowl along the four major continental flyways and of their distribution and migration is one of the most important research activities of the Biological Survey. With the passage of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755) and the Migratory Bird Conservation Act of Feb. 18, 1929 (45 Stat. 1222), this work acquired added importance as upon the yearly studies conducted in the field depend the soundness of the regulations promulgated by the Secretary of Agriculture and proclaimed by the President to govern the taking of ducks, geese, and other migratory birds for sport and the location for their protection of refuges and sanctuaries.

Investigation of the relative abundance, distribution, and migration of North American game and other birds for the purpose of determining accurately the limits of their breeding and wintering ranges, times of migration, flyways, and routes to and from breeding and wintering quarters, together with the changes

in these ranges and routes that are brought about by natural causes or the works of man, are conducted under this project. The possession of such knowledge is vital to a sound regulatory policy concerning the game species and is of no less importance to the encouragement of the beneficial and the control of the harmful non-game species. With the constant changes effected by man throughout the habitable portions of the Continent, it is inevitable that correlated changes are brought about in the ranges and movements of the native avifauna, the presence of some of which may be distinctly favorable and of others adverse to the economic interests of the human population. Almost all birds have great economic importance either for or against agriculture, forestry, and horticulture, while the recreational value of the game species is incalculable. To develop and preserve this natural resource the research on distribution, migration, and relative abundance is of basic importance.

Through the services of volunteer cooperators, aided and directed by professional biologists on the staff of the Bureau, there is collected each year all possible information relative to the various species of native birds. This is accomplished by special work in the field by Bureau employees, by the reports of observations made by a corps of several hundred volunteer migration and waterfowl observers, by the work of about 2,000 banding stations scattered over the United States and Canada, and by the compilation of material published in contemporary literature. Range maps are prepared from these data and reports are published on the different groups, while, as indicated above, the annual studies of the status of migratory waterfowl are the basis for the regulatory action of the Department governing the taking of these birds for food and sport.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935
Public Works Allotments (National Industrial Recovery Act): Enforcement activities under the Migratory Bird Treaty Act: Completion of construction, begun in 1934, of seven boats for patrol work in enforcement of the Migratory Bird Treaty Act	$32,593

(h) ENFORCEMENT OF ALASKA GAME LAW

Appropriation Act, 1936 . . . . . $96,596
Budget Estimate, 1937 96,596

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Enforcement of Alaska Game Law	$69,583	$96,596	$96,596
Unobligated:			
Legislative impoundments	200	---	---
Other amounts unobligated	163	---	---
Total	69,946	96,596	96,596

WORK DONE UNDER THIS APPROPRIATION

The wildlife of Alaska constitutes one of the Territory's major resources. Its conservation and perpetuation is of vital importance not only to Alaskans but to the Indians and Eskimos, who are in large measure dependent upon it. It is also of serious concern to all conservationists and lovers of wildlife. The enforcement of the Alaska Game Law to protect the Territory's wildlife is very important from a national standpoint. The enforcement work covers an area of nearly 600,000 square miles. The continued influx of people from the States for hunting and the increasing numbers of those who, not finding employment, turn to trapping and hunting have created a condition that must be controlled if the wildlife of the Territory is to be maintained. Nine wardens now have the responsibility of enforcing the regulations for the 1935-36 hunting and trapping seasons under the Alaska Game Law, which include a close season for the marten and beaver throughout the Territory and a close season or smaller bag limits in some sections for bears.

The gross receipts during the fiscal year 1935 from licenses, fines and forfeitures were $26,176.96. As provided by the Alaska Game Law, 50 percent of this sum was covered into the Treasury as "Miscellaneous Receipts" and 50 percent was turned over to the Treasury of the Territory for the Territorial School Fund.

From time to time wildlife restocking projects are undertaken, the most recent being the transplanting of 225 Chinese ring-necked pheasants from the State of Washington to the vicinity of Sitka. Reports on previous restocking experiments with Roosevelt elk, bison, beaver, muskrat, marten, hare, squirrel, marmot, mountain goat, and deer have been very satisfactory.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
Public Works Allotments (National Industrial Recovery Act):		
Completion of construction, begun in 1934, of boats, floats, docks, and headquarters for use of Alaska game wardens in the enforcement of the Alaska Game Law	51,341	3,654

(i) UPPER MISSISSIPPI RIVER REFUGE

Appropriation Act, 1936	$36,626	
Allotment to "Maintenance of Mammal and Bird Reservations" (for maintenance work)	-34,683	
Net available, 1936	1,943	(a)
Budget Estimate, 1937	18,500	
Increase	16,557	

Note.--The foregoing allotment is carried forward by means of a transfer of funds in the estimates for 1937.

(a) Plus balance of $23,565 carried forward from fiscal year 1935.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Acquisition of land for Upper Mississippi River Wildlife Refuge	$4,414	$1,943	$18,500	+$16,557 (1)
Unobligated:.....	23,565(b)	---	---	---
Total	27,979	1,943	18,500	+ 16,557

(b) Unexpended balance carried forward to 1936.

(1) An increase of $16,557 for the acquisition of additional land for the Upper Mississippi River Wildlife Refuge. The War Department, pursuant to plans for the development of a nine-foot channel in the upper reaches of the Mississippi River, is engaged in the construction of locks and dams within the area previously established for the Upper Mississippi River Refuge. This development work has resulted in changing the physical conditions of the lands within the pool areas created by dam construction. Lands which were previously overflowed only at high water stages have been and are, as new structures are erected, becoming permanently flooded. As a result of the expansion of the water areas, it is now necessary, in order to effectively administer the lands previously acquired for inclusion in this refuge, to purchase additional lands bordering the pools created and planned.

CHANGE IN LANGUAGE

Language pertaining to administration and maintenance of the Upper Mississippi River Refuge is being omitted, as recommendation is being made for the transfer of these activities to the appropriation "Maintenance of Mammal and Bird Reservations."

WORK DONE UNDER THIS APPROPRIATION

This activity was initiated by special Act of Congress, under date of June 7, 1924, which authorized an appropriation of $1,500,000 to carry out its provisions. Of the total of $1,500,000 authorized, $892,338 has been appropriated up to and including the fiscal year 1936.

The acquisistion of lands is authorized in the over-flow area of the Mississippi River in the States of Illinois, Iowa, Minnesota, and Wisconsin between Rock Island, Illinois, and Wabasha, Minnesota, a distance of approximately 300 miles, for the purpose of establishing a refuge for wild animals and birds and for the conservation of wild flowers and aquatic plants (under the Department of Agriculture) and as a refuge and breeding place for fish and other aquatic animal life (under the Department of Commerce). The refuge is thus under the joint jurisdiction of the Departments of Agriculture and Commerce. Land acquisition has proceeded as rapidly as possible under the price limitations of the Act and the available appropriations. The work incident thereto includes the examination and valuation of the lands, negotiations with tract owners for the purpose of arriving at satisfactory agreements, examination of titles, and boundary surveys of the lands being acquired. At the close of the fiscal year 1935 approximately 145,912 acres had been acquired for refuge purposes.

(j) BEAR RIVER MIGRATORY BIRD REFUGE

Appropriation Act, 1936	$16,559
Allotment to "Maintenance of Mammal and Bird Reservations" (entire item for maintenance work)	-16,559

Note.--It is proposed in the estimates for 1937 to transfer this item, which relates entirely to maintenance work, to the item "Maintenance of Mammal and Bird Reservations."

(k) MIGRATORY BIRD CONSERVATION REFUGES

Appropriation Act, 1936	$77,510
Budget Estimate, 1937	84,653
Increase.	7,143

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase or Decrease
Obligated:				
Administration of migratory bird conservation refuges	$18,051	$29,657	$22,700	-$6,957 (1)
Investigation of biological suitability of migratory bird refuge areas	5,738	5,968	5,968	---
Investigations of diseases of birds	8,329	5,700	19,800	+14,100 (2)
Examinations, surveys, and acquisition of refuge land	28,214	36,185	36,185	---
Total obligations ...	60,332	77,510	84,653	+ 7,143
Unobligated (Savings):.....	5,616	---	---	---
Total	65,948	77,510	84,653	+ 7,143

The increase of $7,143 for 1937 includes:

(1) A net decrease of $6,957 in the project "Administration of migratory bird conservation refuges", consisting of a reduction of $10,000 through dropping the non-recurring item in the 1936 appropriation for construction of a sand barrier in Currituck Sound, North Carolina, and an increase of $3,043 to provide for the administration of Swanquarter Migratory Bird Refuge. This amount is needed to provide a full-time manager for the refuge and to cover his necessary operating expenses. This refuge of 42,948 acres has been developed and protected under the Civilian Conservation Corps program but must be administered from Bureau funds in the fiscal year 1937. Adequate patrolling will be required to protect the refuge from fires, vandalism, poaching, and the molesting of the nesting or wintering waterfowl.

(2) An increase of $14,100 for the project "Investigations of diseases of birds" is needed for undertaking field research studies in the Eastern, Southern, and Western States. Limitation of funds has prevented adequate studies being made of the causes of severe losses occurring in game and other valuable birds in these regions. Preliminary research has demonstrated that rapidly spreading devastating diseases frequently take a heavy toll of the useful species, entailing dissatisfaction among the sportsmen and forcing the respective States to reduce hunting of upland game, as well as waterfowl. Grouse in the Eastern

States and quail in the Southern States have been observed to be subject to periodic disappearances and are known to succumb to infectious disease, as well as to parasitism. Lead-poisoning in waterfowl from the ingestion of shot from the bottoms of marshes causes an extensive loss in wild ducks, geese, and swans throughout the entire country. Efforts which have been started to perfect some means of preventing this loss require additional research for completion. The widespread loss in waterfowl in the Western States from botulism should also receive further consideration in order to develop some effective means of saving birds from this form of destruction in the alkali lake districts. Very little work has been attempted in the study of conditions covering losses in the Southern part of the country, as the Bureau has no field station in that region. An increase of $14,100 will provide for the establishment of Eastern and Southern field stations and for a necessary extension of investigations now carried on at the Western field station.

CHANGE IN LANGUAGE

Language appropriating $10,000 for the purchase of material for repair of sand barrier in Currituck Sound has been dropped, as this is a non-recurring item.

WORK DONE UNDER THIS APPROPRIATION

General.--The Migratory Bird Conservation Act of February 18, 1929 (U. S. C., Supp. IV, title 16, secs. 715-715r) authorized a 10-year program for the establishment of a national system of refuges for the conservation and perpetuation of waterfowl and other migratory game birds. Work under this appropriation includes the maintenance and administration of refuge areas acquired under this Act and the development of such areas and other refuges; the elimination of loss of migratory birds due to alkali-poisoning, oil pollution, disease, or other causes; the study of food resources of refuge areas, and improvement of food and cover; and the acquisition of land and water for migratory bird refuges throughout the United States.

Administration of migratory bird conservation refuges.--Refuges acquired or established under the Migratory Bird Conservation Act are administered under this project. Full-time refuge managers are provided at the Blackwater Refuge, Maryland (area, 8,500 acres); Cape Romain Refuge, South Carolina (60,000 acres); St. Marks Refuge, Florida (35,000 acres); and Crescent Lake Refuge, Nebraska (42,000 acres), which were established as breeding, resting, and feeding areas for migratory waterfowl. Large water areas are connected with the Blackwater, Cape Romain, and St. Marks Refuges, and the operation and maintenance of boats are necessary in the protection and administration of these refuges. Extensive developments and improvements have been made on the refuges under Public Works funds and with the aid of C. C. C. camps.

Investigation of biological suitability of migratory bird refuge areas.--Reconnaissance surveys and detailed investigations are an absolute necessity in supplying essential information pertaining to the suitability of refuge areas. In order to choose worthwhile and appropriate refuge sites for migratory or upland bird life or for other animals, investigations must be made by trained biologists. Accurate and detailed biological investigations are necessary to determine the character and abundance of food and cover plants and of other necessary factors essential to the welfare of wildlife. Without these surveys and investigations we would have little information as to the economy and advisability of authorizing

purchase of the areas or of the possibilities and limitations for refuge improvement.

The Bureau is frequently called upon by the various States and national organizations to cooperate with them and aid in the selection of State or local refuge sites. Because of the national benefit derived in the improvement of wildlife conditions in general, this cooperative work is needed.

Investigations of diseases of birds.--The study of diseases affecting wildlife is a relatively virgin field and one which has received little consideration. Because of the fact that many of our game birds are migratory, the study of diseases in wildlife becomes strictly a Federal problem. The Biological Survey has been charged with this responsibility, and attempts are being made to arrive at a solution of some of the more pressing problems. While research along these lines has brought forth many important facts, it also demonstrates the necessity for extending the scope of the work in order to develop practical solutions.

The studies on botulism or "western duck sickness" are an excellent example of this. Botulism is widespread in the Western States, and it results in a tremendous waste of our waterfowl. On lakes where severe outbreaks occur as many as 8,000 to 10,000 dead ducks are found for each mile of shoreline. The cause of botulism, as well as other fundamental facts regarding the malady, has been discovered. The only apparent method at present for the control of this condition is by raising the water level of the lakes, and this is an economic impossibility in the majority of cases. The disease continues to decimate the already subnormal waterfowl population. If practical methods for changing the reaction of the lakes from alkaline to acid could be developed, a possible solution of this problem might be accomplished. A number of possibilities have been suggested, but due to limited personnel and the necessary facilities no substantial consideration can be given to this problem.

Game bird farming is an enterprise which has grown rapidly within the course of a few years until it has now assumed a position of considerable economic importance. The value of the annual production of game birds on farms in this country is estimated between $2,000,000 and $3,000,000. It is an accepted fact that disease is the limiting factor in the successful propagation of game birds. Many of the diseases affecting these birds are not common to our domesticated fowls and consequently poultry pathologists are not in a position to render aid. Game breeders, therefore, look to the Biological Survey for a solution to their problems. Research work in the Northern States tends to show that disease is responsible for a periodic decimation of certain important game species. This general cycle of variation from abundance to scarcity is common to our upland game birds. Studies are in progress to determine the cause of these periodic disappearances of our valuable birds. The research thus far conducted gives promise that methods may be developed for reducing the losses among game birds from disease epizootics.

Examinations, surveys, and acquisition of refuge land.--Migratory wildlife on the American continent continues to diminish at a rate which, from all reports received to date, is more alarming than ever and calls for increased determined effort to provide refuge areas required to protect the birds. The continued decrease in the number of birds is caused by extreme water shortage and the encroachment of ill-advised agriculture on breeding and nesting grounds, as well as overshooting due in part to the greater accessibility to concentration

points by reason of improved transportation facilities. Nationwide investigations of refuge possibilities have been made and should be continued. Under the Migratory Bird Conservation Act more than 4,000,000 acres in 141 proposed refuge sites have been examined and ownership records compiled.

During the past two fiscal years the Division of Land Acquisition under emergency funds has been engaged in examining, appraising, and negotiating for areas in the Mississippi flyway. There are still many areas to be examined in the other principal flyways of migratory waterfowl in order to successfully carry out the purpose of the Act.

The cadastral branch of the Division will be occupied in compiling essential map data resulting from refuge boundary surveys conducted under emergency funds and will also be engaged in the demarcation of boundaries on established refuges and those in the process of establishment. It will also be necessary to continue topographical studies in connection with the development, impoundment, and conservation of water on established refuges and those being established during the coming fiscal year.

EMERGENCY FUNDS

(1) Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
Public Works Allotments (National Industrial Recovery Act):		
Administration of migratory bird conservation refuges: Completion of construction, begun in 1934, of buildings, fences, and boats; fire prevention work; water development and conservation; and locating and marking boundaries of refuges.....	$57,854	$ 2,138
Emergency Relief and Public Works (Emergency Appropriation Act, 1935):		
Administration of migratory bird conservation refuges: Construction of buildings, roads, and minor improvements; and water conservation work	30,877	---
Total Emergency Funds, (Direct Allotments)	88,731	2,138

(2) Indirect Allotments
(Financed through other Government agencies)

Projects	Obligated, 1935	Estimated obligations, 1936
Emergency Conservation Work (authorized by Act of March 31, 1933; allotment through War Department):		
Work by Civilian Conservation Corps on migratory bird conservation refuges.....	$71,513	$44,400

(1) MIGRATORY BIRD CONSERVATION FUND

Estimated Receipts, 1936 . . . . . $750,000 (a)
Budget Estimate, 1937 750,000

(a) Receipts from sale of Federal waterfowl hunting stamps for fiscal year 1936 and balance from fiscal year 1935 are available for 1936.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Acquisition, development, and maintenance of migratory bird refuges.	$26,676	$675,000(b)	$675,000
Administration and enforcement of migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts....	146,775	75,000(c)	75,000
Total obligations	173,451	750,000(d)	750,000
Unobligated:			
Unobligated balance from funds advanced in Deficiency Act.....	3,225	-	-
Unobligated balance in receipts from sales of stamps	458,668	-	-
Total	635,344	750,000(d)	750,000

(b) Plus $412,802 balance brought forward from 1935.
(c) Plus $45,866 balance brought forward from 1935.
(d) Plus $458,668 balance brought forward from 1935. Receipts of $750,000 are estimated for the fiscal year 1936.

It is estimated that $750,000 will be collected from the sale of migratory bird hunting stamps during each of the fiscal years 1936 and 1937. Of this amount $50,000 will be used for the enforcement of the various Acts for the protection of migratory birds and $25,000 for the expenses of the Post Office Department incident to the engraving, printing, issuing, and accounting for stamps and funds thereunder. A vigorous enforcement campaign in all the States to see that this revenue producing statute is obeyed is of prime importance.

NEW LANGUAGE

Section 4(b) (29) of the Act approved June 26, 1934 entitled "An Act providing that permanent appropriations be subject to annual consideration and appropriation by Congress and for other purposes" (Public No. 473, 73rd Congress) provides that after June 30, 1936 receipts of the character theretofore credited to the Migratory Bird Conservation Fund shall be deposited in the Treasury as miscellaneous receipts and that amounts equal thereto are authorized to be appropriated annually from the general fund of the Treasury for the same purposes for which such receipts are now appropriated.

WORK DONE UNDER THIS APPROPRIATION

General.--The Migratory Waterfowl Hunting Stamp Act (48 Stat., 451) provides that every hunter of migratory waterfowl must have in his possession a Federal hunting stamp. The stamps are sold by postoffices at a cost of one dollar each. The funds provided by the sale of these stamps are to be used for wildlife conservation, being expended on the basis of 90 percent for acquiring, restoring, and administering potential waterfowl habitats as inviolate refuges, and 10 percent for the enforcement of the various Acts for the protection of migratory birds and the expenses of the Post Office Department for engraving, issuing, and accounting for stamps.

This Act was passed because of the appalling reduction of migratory waterfowl during the protracted drought period which has existed in the heart of the migratory waterfowl breeding grounds in the interval between the summer of 1930 and 1935. During these five years the migratory flocks became so reduced in numbers that sportsmen and conservationists alike were alarmed at the apparent extinction facing this valuable recreational and economic resource. This concern for migratory wildlife spread to all walks of American life, and public opinion and demand became so mobilized, when the numbers of the birds continued to diminish, that Congress enacted the Migratory Bird Hunting Stamp Act to provide funds for the conservation of migratory waterfowl as a definite and recognizedly important section of our national wildlife resources.

The maintenance of the refuge areas with the proper biological conditions necessary for the survival of the migratory waterfowl is one of the most important duties now performed by the Biological Survey. This is a task of increasing difficulty due to the drastic reductions in the natural habitat of these birds in their former wide range and, moreover, is accentuated because of the fact that the economic progress of the Nation has in the past dictated pursuits which are directly inimical to the welfare of these birds.

The Biological Survey is faced with the task of restoring acres ruined for wildlife by unprofitable drainage and irrigation ventures, which reduced former excellent waterfowl migratory-bird habitats to a condition of tragic and wildlife barrenness. This calls for a high degree of scientific development and maintenance, inasmuch as each acre of live marsh must now be made to afford sanctuary facilities for more than the former natural carrying capacity.

In the fiscal year 1937 the Biological Survey will be administering over 3,000,000 acres of refuge land, involving more than 150 migratory bird and waterfowl refuges scattered from Alaska to Puerto Rico and from the Atlantic coast to the Hawaiian Islands. These refuges involve important public-relation

problems, important local industry problems such as lumbering, grazing, and haying, from which the Government will derive a considerable income, and above all else, of course, will involve constant application of research and endeavor to accomplish the biological rehabilitation of the refuge properties for the needs of migratory birds. This program, too, is in furtherance of a treaty between the United States and Canada for the purpose of preserving the migratory bird species of the North American continent.

Migratory waterfowl, the species of migratory birds which have great recreational importance at this time and whose numbers are critically reduced by adverse economic and natural circumstances, supply the basis for a large share of the annual recreational business of the United States by virtue of the equipment and time our citizens spend in pursuit of these birds, and possess tremendous aesthetic value as an animate part of the outdoor landscape. It is the duty of the Biological Survey to protect and serve these birds. In some instances the refuges which have been acquired will be the last remaining sections of natural or recreated habitat within our borders suitable for the needs of these birds.

Acquisition, development, and maintenance of migratory bird refuges.-- The Migratory Bird Conservation Fund will be used to administer not only the refuges created under the fund but, in the future, also the 32 large-scale waterfowl nesting and wintering refuges which were restored to the use of migratory waterfowl under the emergency appropriations made available for this purpose during the fiscal year 1935.

The acquisition and administration of refuges under the Migratory Bird Conservation Fund very naturally divides itself into three main phases of operation -- reconnaissance and habitat improvement, restoration and development, and maintenance and patrol.

Under reconnaissance and habitat improvement are the scientific, biological rehabilitation of the areas which were acquired in the form of defunct and unsuccessful drainage and irrigation ventures, submarginal marsh and swamp lands, coastal marshes, Mississippi Valley bottom lands, etc., which must be worked over and made acceptable to the waterfowl by careful selection and planning of the proper food and cover plants, trees, and other vegetation; the careful collection and preservation of aquatic duck-food seeds, especially annuals, and their careful replanting in the following spring; control of waterfowl disease epidemics; manipulation of water levels in the most advantageous way; reforestation and erosion control; census taking of waterfowl numbers (which is becoming increasingly important in controlling the annual kill); creation and seeding of nesting islands, embankments, dikes, etc.; range management; and all things leading to wildlife production from the area. The personnel engaged in this work are highly trained waterfowl biologists who make exploratory surveys along the main flyways of our migratory waterfowl and select areas for acquisition and development which show the best potentialities for wildlife and waterfowl sanctuary purposes. As it is necessary at the present time to use a large portion of the Migratory Bird Conservation Fund for development and maintenance purposes, acquisition of additional areas under this appropriation is being subordinated to restoration, development, maintenance, and patrol activities.

Restoration and development activities comprise the hydraulic engineering and architectural developments on the refuge areas. There are very few natural waterfowl habitats of any great size left. Because of this situation it becomes most urgent that we restore former natural areas which have been unsuccessfully drained or otherwise have had their original suitability for waterfowl changed. Almost every area requires extensive impounding and stabilization of water levels in order to secure a safe and permanent water supply for the refuge. In order to accomplish this, an adequate force of trained hydraulic engineers and engineering aides must be available. Since human life is at stake in many of these impoundment undertakings this personnel must be of the highest order. A suitable architectural force is required to design and supervise construction of typical refuge headquarters layouts, including residences and service buildings which the Bureau has recently adopted and standardized. Inasmuch as these areas will be greatly used as local recreation centers for boating, picknicking, and allied sports, it is necessary that some landscaping be done. On many of the new refuges now coming under the administration of this fund it is necessary that suitable topographic maps be made of the areas as an aid to their further development and that the construction of roads, trails, bridges, etc., be undertaken.

Maintenance and patrol work involve the actual patrol and maintenance of the new refuges created by the emergency funds and those in the process of completion under Migratory Bird Hunting Stamp funds. Expert refuge managers personnel is being selected and trained and will be in residences on the property, which represents an average investment value of $300,000 and an average acreage of 28,000 acres per refuge. The completion of the 1936 program will bring the total acreage of migratory waterfowl refuges up to some 3,000,000 acres.

In order to make those refuge areas as effective as humanly possible in the conservation of migratory waterfowl, this work will result in the reduction of predators, removal of fire hazards, laying-out and maintenance of fire lines, posting and erecting stock-proof fences on the refuge boundaries, patrolling and protecting the area from vandalism, enforcement of the migratory bird refuge laws on the refuge and vicinity, supervising the sale of excess products from the refuges such as hay, timber, forage, etc., performing the actual mechanics of raising considerable amounts of small grains as a supplement to the natural waterfowl foods occurring on the refuge, repairing the water impoundment stabilization system and maintaining the water levels, supervising the recreation centers, and performing all other administrative duties and labors incident to and necessary for the maintenance of established refuges at the highest possible level of productivity and serviceability to migratory birds.

Administration and enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts.--Under the Migratory Bird Hunting Stamp Act, there is authorized to be expended for enforcing this Act, the Migratory Bird Conservation Act, Migratory Bird Treaty Act, and any other Act for the protection of migratory birds not more than ten percent of all funds collected from the sale of duck stamps, including the necessary costs to the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof.

Migratory Waterfowl Program

EMERGENCY FUNDS

(1) Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936	Estimated obligations, 1937
National Industrial Recovery Act, Agriculture, Wildlife Refuges (Act of June 15, 1935):			
For acquisition, improvement, and development of wildlife refuges...	---	$4,000,000	$1,940,000
Emergency Relief and Public Works (Emergency Appropriation Act, 1935):			
For restoration, improvement, and development of wildlife refuges...	$1,942,707	---	---
Emergency Relief Appropriation Act of 1935:			
Administrative expenses in connection with securing title to refuge lands and inspection of construction on refuges.....	---	245,500	16,000
Development of certain North Dakota areas as Federal waterfowl refuges	---	240,000	26,289
Total, Emergency Relief.....	---	485,500	42,289
Total, Emergency Funds (Direct Allotments).....	1,942,707	4,485,500	1,982,289

(2) Indirect Allotments
(Financed through other Government agencies

Projects	Obligated, 1935	Estimated obligations, 1936
Submarginal Land Acquisition (authorized by F. E. R. A. and Resettlement Administration):		
Acquisition of land for migratory waterfowl and other wildlife refuges	$5,000,000	$665,261
Improvement of Mud Lake, Minnesota refuge	---	144,000
Total, Submarginal Land Acquisition	5,000,000	809,261
Emergency Conservation Fund (authorized by Act of March 31, 1933; allotment through War Department):		
For purchase of land for wildlife refuges	985,000	---
Work by Civilian Conservation Corps on refuges established under the Migratory Waterfowl Program...	167,700	489,200
Total, Emergency Conservation Fund	1,152,700	489,200
Total, Emergency Funds (Indirect Allotments)....	6,152,700	1,298,461

WORK DONE UNDER THESE FUNDS

The Migratory Waterfowl Program embraces the acquisition and development of waterfowl refuges on the breeding grounds and flyways, for which purposes $8,500,000 was provided during the fiscal year 1935 from various relief and emergency appropriations.

As a result of the careful budgeting and execution of this National Migratory Waterfowl Restoration Program, 31 new refuges were created totaling more than 750,000 acres of the best habitat remaining within the United States usable by these birds. Under the emergency funds provided in 1935 and under National Industrial Recovery Act funds provided for the further extension of this program, tremendous strides will have been taken in the rehabilitation of the four great flyways which traverse the North American continent and which are hereditarily used by our migratory waterfowl.

To determine the suitability of various habitat sites and locations for waterfowl restoration purposes, 720 tracts, located in every State in the Union and embracing 8,251,670 acres of land, were inspected and studied. Not only was this gigantic task necessary for the successful prosecution of the year's work, but it was a necessary preliminary step for the next two years' acquisition program made possible by the special appropriation of June 15, 1935.

On areas acquired under the Migratory Waterfowl Program extensive development work was undertaken involving impoundment of water, erection of nesting islands, food plantings, reforestation, fire-hazard reduction and control, patrol roads and lanes, erection of patrol towers, stockproof fencing, predator control, water-table investigations, sinking of artesian wells, flood irrigation, and many other rehabilitation activities.

Engineering contracts for nesting-marsh restoration amounting to $892,181 and building contracts of $440,280 were awarded. A total of $251,010 was expended for wells, boats, trucks, equipment for water impoundment and embankment work, road and trail building equipment, fencing, towers, refuge markers, surveying instruments, fire-fighting equipment, and agricultural machinery for supplementary waterfowl food raising, as well as numerous other instruments and tools indispensable in migratory waterfowl refuge development and maintenance.

EMERGENCY FUNDS -- BUREAU TOTAL

Summary

Projects	Obligated, 1935	Estimated obligations, 1936	Estimated obligations, 1937
Direct Allotments:			
National Industrial Recovery Act:			
Public Works allotments:			
Construction and repair	$312,048	$13,510	---
Transfer from Forest Service for rodent control on national forests	119,925	864	---
Acquisition, improvement, and development of wildlife refuges	---	4,000,000	$1,940,000
Emergency Appropriation Act, 1935:			
Emergency Relief and Public Works: Restoration, improvement, and development of wildlife refuges	2,115,815	---	---
Loans and Relief in Stricken Agricultural Areas: Transferedfrom Forest Service for rodent control in connection with establishment of shelterbelt	25,500	---	---
Emergency Relief Appropriation Act of 1935:			
Securing title to refuge lands and inspection of construction	---	245,500	16,000
Development of North Dakota areas as Federal waterfowl refuges	---	240,000	26,289
Total, Direct Allotments	2,573,288	4,499,874	1,982,289
Indirect Allotments:			
Emergency Conservation Work (financed through War Department):			
Purchase of wildlife refuge lands	985,000	---	---
Work of Civilian Conservation Corps on refuges	393,482	718,400	---
Submarginal Land Acquisition (financed by F. E. R. A. and Resettlement Administration)	5,000,000	809,261	---
Total, Indirect Allotments	6,378,482	1,527,661	---
Total, Emergency Funds	8,951,770	6,027,535	1,982,289

PASSENGER-CARRYING VEHICLES

It is necessary in carrying on much of the field work of the Bureau to cover long stretches of territory by automobile, considerable portions of which are inaccessible by other means of transportation. The Government-owned automobile has been found to be the most economical means of transportation and a great time saver. It has also been found a less expensive means of transportation when travel is extensive than to allow mileage rates to employees for use of their personally-owned automobiles, as Government cars can be operated cheaper than privately-owned cars. Because of these facts, the Bureau several years ago inaugurated a policy of furnishing Government-owned cars for use of employees when the travel was sufficiently extensive to effect a real saving thereby.

Although much of the field service is now equipped with passenger-carrying cars, it is necessary in the continuation of this policy to keep the equipment in satisfactory running condition. This requires cars to be replaced at intervals depending upon the mileage covered and conditions under which operated. Of the 90 passenger cars estimated for 1937, 51 are replacements and 2 replace trucks. During the fiscal year 1935, 135 passenger cars operated by the Bureau for 1,899,993 miles showed an average operating cost of two cents per mile. Twenty-three passenger cars turned in during the past two years showed an average operating cost including depreciation of $.028 per mile.

Of the 37 additional passenger cars included in the estimate, seven will be needed for scientific investigational projects for which increases are submitted in the estimates and which will be performed in localities and under conditions necessitating the use of cars for transportation. Fifteen cars will be required for the increased force requested for more adequate enforcement of the Migratory Bird Treaty and Lacey Acts, which requires many miles of patrol duty over large districts by each enforcement officer. One car will be needed in connection with the land acquisition program under the Migratory Bird Conservation Fund for use by negotiators in contacting landowners and carrying out negotiations. Fourteen additional cars will be needed for refuge development and supervision. In administering approximately 202 refuges, which will be the responsibility of the Bureau in 1937, it is planned to establish twelve districts each containing from four to twelve important refuges. A superintendent will be assigned to each district. In order to perform the large amount of travel necessary in exercising supervision over refuges located in from two to five States, a car will be needed for the use of each district superintendent and for the use of the superintendents at Bear River Migratory Bird Refuge and Upper Mississippi River Wildlife Refuge.

In addition to the 37 new cars estimated for under regular funds, the estimates contemplate the purchase of six passenger cars in connection with wildlife refuge acquisition work under special emergency funds. The sum of $6,000,000 was provided under Title VII of Public 148, 74th Congress, entitled "An Act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other Acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes", approved June 15, 1935, this sum to be available until expended for the acquisition of refuge lands and for improvements thereto. In order to more economically carry out the purposes of this Act, six passenger cars will be needed for the use of field reconnaissance men and land negotiators in acquiring refuge lands and for the use of inspectors in traveling from refuge to refuge where construction contracts will be in progress.

BUREAU OF PUBLIC ROADS

(a) FEDERAL-AID HIGHWAY SYSTEM

Appropriation Act, 1936	$48,559,256.14
Budget Estimate, 1937	(1)

(1) The estimates for 1937 are included in the Budget under the section relating to a general public works program.

(b) PUBLIC LANDS HIGHWAYS

Appropriation Act, 1936	$2,500,000 (2)
Budget Estimate, 1937	- - -

(2) Obligated in 1935.

The Budget provides that the authorization of $2,500,000 for 1937 be cancelled for that fiscal year and made applicable to the fiscal year 1938.

(c) NATIONAL INDUSTRIAL RECOVERY HIGHWAY FUNDS

This item, carried in the Agricultural Appropriation Act for 1936, provides for the use of $100,000,000 from funds appropriated by Sec. 1 of the Emergency Relief Appropriation Act of 1935 for the construction of highways contemplated by Sec. 1 of the Act of June 18, 1934. All funds authorized to be appropriated have now been made available, and the item is discontinued in the Budget estimates for 1937.

(d) PUBLIC LANDS HIGHWAYS, EMERGENCY CONSTRUCTION (Act of July 21, 1932)

The schedule submitted in the Budget shows obligations of $25,628 during 1935 and estimated obligations of $7,930 in 1936 out of funds provided by the Emergency Relief and Construction Act of 1932. No obligations are contemplated for 1937. The availability of this appropriation for obligations will expire on June 30, 1936.

(e) ROADS WITHIN GROUNDS AT MONTICELLO, VIRGINIA

The schedule submitted in the Budget shows that the entire appropriation of $30,000, provided by the Deficiency Appropriation Act, 1934, was obligated during the fiscal year 1935.

(f) MOUNT VERNON MEMORIAL HIGHWAY

The schedule submitted in the Budget shows obligations of $15,867 during 1935 and estimated obligations of $5,000 during 1936 and $87,131 during 1937 out of balances from prior-year appropriations.

(g) NATIONAL INDUSTRIAL RECOVERY
(Roads at Beltsville, Maryland)

The Budget schedule includes a P.W.A. allotment of $10,725 under National Industrial Recovery Act funds, which was obligated during the fiscal year 1935 for the improvement of roads at the Beltsville (Md.) Research Center.

(h) PUBLIC WORKS ADMINISTRATION ALLOTMENT
(Roads at Beltsville, Maryland)

The Budget schedule shows $2,239 expended during the fiscal year 1936 out of a Public Works allotment from funds provided by the Emergency Appropriation Act, 1935, for the improvement of roads at the Beltsville (Md.) Research Center.

(i) NATIONAL INDUSTRIAL RECOVERY
(Work-relief highways)

The schedule shows $900,000 obligated for construction of work relief highways in 1935. This was under a special allotment for Minnesota, from Public Works funds provided by the National Industrial Recovery Act.

BUREAU OF AGRICULTURAL ENGINEERING

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation Act, 1936	$ 37,600
Budget Estimate, 1937	37,600

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
General administration and business service.....	$36,065	$37,600	$37,600
Unobligated:			
Legislative impoundments.....	100	- - -	- - -
Other amounts unobligated.....	35	- - -	- - -
Total	36,200	37,600	37,600

WORK DONE UNDER THIS APPROPRIATION

This appropriation covers the general supervisory work of the Bureau and the accounting, recording, and administrative correspondence work in the Washington Office.

(b) AGRICULTURAL ENGINEERING INVESTIGATIONS

Appropriation Act, 1936	$385,669
Budget Estimate, 1937	414,669
Increase	29,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Advice and assistance.....	$20,749	$27,684	$27,684	- - -
Farm irrigation investigations.....	88,541	110,442	110,442	- - -
Farm drainage investigations.....	39,404	45,047	45,047	- - -
Farm mechanical equipment..	101,643	94,047	104,047	10,000 (1)
Farm buildings and related investigations.....	34,144	63,271	63,271	- - -
Machinery for processing farm products - cotton ginning.....	37,688	36,142	55,142	19,000 (2)
Farm operating efficiency investigations.....	7,025	9,036	9,036	- - -
Total obligations.....	329,194	385,669	414,669	29,000
Unobligated:				
Legislative impoundments...	1,000	- - -	- - -	- - -
Other amounts unobligated..	4,349	- - -	- - -	- - -
Total	334,543	385,669	414,669	29,000

The increase of $29,000 for 1937 includes:

(1) An increase of $10,000 in the project "Farm Mechanical Equipment." This increase is needed for cotton-production machinery investigations. Research methods and conceptions of the fundamental physical properties of soils as developed by investigations already carried on under this project have for the first time revealed the relationship existing between soil tillage, weed control, and the design of farm implements. The basis for design of plows and other soil-tillage equipment has already been laid by laboratory work under this project, and field experimentation has shown that the application of results can increase the efficiency of the farmer to a marked extent. For example, a comparative study of 37 methods of seed-bed preparation on Greenville fine, sandy loam shows a variation in income due to tillage practices from a loss of $9.20 to a profit of $7.77 per acre. The method giving the highest profit as compared to conventional methods would mean a net increase of over a

million dollars in farm income if carried out on the 168,000 acres of this particular soil in Alabama. The benefit of this and other findings of equal practical importance, if adequately supported, can be extended to the entire cotton belt.

(2) An increase of $19,000 in the project "Machinery for Processing Farm Products - Cotton Ginning." Cotton ginning investigations have developed to a point where additional assistance is greatly needed if full advantage is to be taken of the facilities available at Stoneville, Miss. These investigations have proved very useful to the ginners, as is evidenced by the strong support the work has received from ginners' organizations, manufacturers of ginning machinery, and cotton planters. There is urgent need for at least two more well-trained men in connection with the engineering phase of the work, and it is desirable also to have more young men in training in this highly specialized work. There is also constant need to replace equipment and keep it abreast of the most modern practices. Funds for this work have been so limited in recent years that this has not been practicable. Original plans for the laboratory contemplated that there would be required for its operation and upkeep about $75,000 per annum. The present allotment is $36,000. The work has reached a stage where increased support is necessary. Other phases of the cotton program were given considerable increases for 1936, and if this aspect of the investigation is to be kept abreast of the work of the rest of the Department on cotton an increase in this fund is essential.

WORK DONE UNDER THIS APPROPRIATION

General. -- The work under this appropriation consists chiefly of research on the engineering problems of agriculture. These problems are included in the fields of farm irrigation, farm drainage, farm machinery and farm power, farm buildings, cotton ginning, development of farm lands to make possible their most economical and effective utilization, and rural electrification. On request, the Bureau also renders engineering service to other bureaus of the Department with respect to the facilities and equipment required in their work.

Advice and Assistance.-- This item covers such informational activities as preparation of Farmers' Bulletins and leaflets, preparation and sending out of plans and drawings relating to farm structures, handling of subject-matter correspondence with the public, preparation of motion pictures, and such other activities as are involved in making available to the public information to be applied direct. The project does not include bulletins presenting results of research as such bulletins are charged against the particular research projects involved.

Farm Irrigation. -- The greatest problem facing irrigation farmers generally throughout all the Western States is the growing scarcity of irrigation water, which has been brought about through more complete settlement, by the introduction of late maturing crops such as sugar beets, corn, and fruits, which require more irrigation water than early crops, and by the increasing use of water for purposes other than agricultural. To meet this need it is proposed to attack the problem from all possible angles, the first being the economical utilization of water in crop production. This involves the determination of the optimum amount of irrigation needed for

different field crops and fruits and of the best method and time of application of water to secure the best results under different crop, soil, and climatic conditions. The second point of attack is the possibility of decreasing losses of water between the source of supply and the point of application. This involves studies of methods of decreasing losses due to evaporation, seepage, and the growth of aquatic plants in canals and ditches. Included also in this phase is the design and invention of apparatus for accurately measuring the quantity of water delivered to the farmer and the development of means of securing the economical conveyance of irrigation water. Another point of attack is the increase of the supply of irrigation water by the development of pumps and equipment for utilizing underground waters, the storage underground of spring flood waters for later use by means of pumps, and the development of diversion dams and desilting works which will make it possible to turn flood waters, which would otherwise be lost, directly into irrigation canals. The final point of attack is through possible reductions in the cost to the farmer of irrigation water. Studies now under way cover methods of controlling silt deposits in reservoirs and canals, the design of apparatus for the removal of gravel and sand from canals, and the development of cheaper methods of organizing and administering irrigation districts. This project includes cooperative snow surveys for the purpose of forecasting irrigation water supplies.

Farm Drainage. -- The major problem in farm drainage consists of the development of better methods and materials for the drainage of lands now in cultivation, with particular reference to the drainage of different soil types, the drainage requirements of different crops, and the development of alkali-resistant drain tile. Basic hydraulic information is being developed which when applied to the design of drainage ditches, tile drains, and pumping plants will result in greater efficiency and reduced costs. At this time many drainage districts are bankrupt, and studies are being carried on for the purposes of determining the causes of failure and developing plans for rehabilitating them, physically and financially.

Farm Mechanical Equipment. -- This project covers the research work done by the Bureau in connection with the use of power and machinery on the farm. It includes projects having for their objects the development of better methods and machines for the production and harvesting of the staple crops grown throughout the country, special emphasis being placed upon studies of the use of equipment in the production of corn, cotton, and sugar beets. These studies have been under way for several years, during which time a number of mechanical devices have been developed which are much more efficient than the machines theretofore used. Combinations of planting and cultivating methods with particular types of machines have been developed. In cotton production the indications are that the costs can be materially reduced by choosing the right combination of methods and machinery. The work with sugar beets has resulted in the development of a type of machine for thinning beets which promises to be so successful in reducing the amount of hand labor required as to make it unnecessary to annually import large numbers of laborers from foreign countries for beet production. A special study is being made of machinery for distributing fertilizer for different plants and under different soil and climatic conditions. This project is carried on in cooperation with the Bureau of Plant Industry and thirteen State experiment stations. Some experimental machines have been constructed which promise to give excellent results in increased crop production due to the proper placing and distribution of fertilizer.

Special attention is being given to the development of mechanical means for the control of insect pests, including the corn borer, pink bollworm, and the Japanese beetle. This work is carried on in cooperation with the Bureau of Entomology and Plant Quarantine and has already resulted in the development of machines and implements, or attachments to the same, which have been very effective in destroying these insect pests. Various types of equipment have been designed for applying insecticides for the control of harmful or injurious insects, and various types of spraying equipment have been studied in connection with this work.

A study which is becoming of increased importance has to do with the artificial drying of crops, principally forage and grain. An experimental full-sized drier has been constructed for securing data as to the optimum methods and amount of drying forage. It is expected that the operation of this and similar driers will result in the development of more efficient and cheaper methods of artificial drying. This project is being carried on in cooperation with the Bureaus of Animal Industry, Dairy Industry, and Plant Industry.

Farm Buildings and Related Investigations. -- This project includes investigations designed to develop better and more efficient methods of building farm structures of all kinds. Recent surveys have indicated farm houses in general are much below desirable standards. One-sixth of all farm houses should be replaced by new buildings, and the cost of modernizing the remaining five-sixths will run into billions of dollars. The housing program has three main objectives -- to develop improved types and methods of construction; to develop standards for guidance in locating the several buildings of the farmstead; and to develop more satisfactory service equipment for farm homes. New materials and equipment for all kinds of farm buildings are continually being made available, and their usefulness for farm buildings has to be determined. At present tests are being made on treated cotton materials for roofing and of a number of water-proofing materials for possible use on rammed earth walls. This project also includes investigations of the equipment required for various purposes in buildings such as mechanical refrigeration, ventilation, heating, and the storage and transportation of farm products.

Machinery for Processing Farm Products - Cotton Ginning. -- Work under this project consists of experimental laboratory studies designed to improve the equipment and methods employed in ginning cotton. Under special appropriation heretofore made by Congress, a cotton ginning laboratory has been built at Stoneville, Miss., and experimental ginning is in progress. Preliminary investigations have indicated certain parts of the process that apparently should be studied first, and these are now being investigated. To secure the benefits that can reasonably be expected from this project it will be necessary to continue the work over a period of years. The project is in cooperation with the Bureau of Agricultural Economics. The cotton drier which was developed has been placed in production by several manufacturers. It is proving to be both efficient and economical.

Farm Operating Efficiency Investigations. -- This project has for its object the improvement of the operating efficiency of farms. It is evident that the size and shape of the fields, their condition as regards wet spots, steep hillsides, stumps and stones, and the kind and amount of crops raised should be considered in determining the type and size of farm machinery which

should be used. It is necessary that any individual farm be treated as a unit with all of the interlocking elements of the farm business in proper proportion the one to the other. In order to secure such a balanced farming program this project is being carried on in cooperation with farm-management authorities. The investigations have involved the making of complete surveys of a number of farms which are typical of a section or State. A complete farm program is then prepared, and the benefits which will be received by the farmer are determined after the improvements are made. To illustrate the necessity for this project, preliminary surveys have shown that on 18 farms in northern Minnesota, containing a total of 181 fields, the average size of field was 4 acres; on 10 farms in one county in North Carolina there were 218 fields having an average size of 2.03 acres. It is obvious that modern equipment can not be used and low cost methods of production employed under these conditions. It has been found that by comparatively inexpensive rearrangement the average size of fields on the farms studied could be more than doubled. This project is considered to have great possibilities from the standpoint of effective utilization of land now under cultivation.

EMERGENCY FUNDS

(1) Direct Allotments

Projects	Obligated 1935	Estimated obligations, 1936
Public Works Allotments (National Industrial Recovery Act): For completion of physical improvements begun in 1934, as follows:		
Cotton Ginning Laboratory, Stoneville, Miss.:		
Living quarters for Government employees on Government property necessary because of isolated condition	$3,639	- - -
One large dwelling, single staff	920	- - -
Sewers	386	- - -
Firemains	17	- - -
Sidewalks and planting	61	- - -
Roadways	491	- - -
Gasmains	95	- - -
Experimental fiber laboratory and office building for experimental work on cotton fibers	5,596	- - -
Graveling roadways on Government owned premises	491	- - -
Fencing to protect Government owned lands and properties from trespass and theft	97	- - -
Permanent supports and guards to Government owned fire main crossing over Deer Creek	1	- - -
Plant trees, shrubs, and sod lawn areas on Government experiment station grounds	21	- - -
Fireproof room in Government owned building to prevent loss of valuable data and records	354	- - -
Steel and cement ramp and platform to replace present wooden structures at Government cotton-ginning laboratory	1	- - -

Projects	Obligated 1935	Estimated obligations, 1936
Arlington Farm, Va.:		
Alterations	$ 221	- - -
Addition to present machinery experimental laboratory, material and labor	1	- - -
Auburn, Ala.:		
Construction of farm tillage machinery laboratory	40,555	- - -
Jeanerette, La.:		
Additions and alterations to an experimental forage drier building	382	- - -
Construction of a cottage	169	- - -
San Bernardino, Calif.:		
Installation of water spreading experimental plots on various streams in the vicinity of San Bernardino	3,849	- - -
Adjustments due to 1934 obligations not previously reported (deduct)	-39	- - -
Total, P. W. A. allotments (N.I.R.)	57,318	- - -
Emergency Relief Appropriation Act of 1935:		
Landscaping, paving, and fencing on laboratory grounds, Auburn, Ala.	- - -	$3,195
Addition of covered loading platform to cotton warehouse and rat-proofing same, Stoneville, Miss.	- - -	3,956
Total, Emergency Relief	- - -	7,151
Total, Emergency Funds (Direct Allotments)	57,318	7,151

(2) Indirect Allotments
(Financed through other Government agencies)

Projects	Obligated 1935	Estimated obligations, 1936	Estimated available, 1937
Emergency Conservation Work (Authorized by Act of March 31, 1933; allotment through War Department):			
Work by engineers of the Bureau of Agricultural Engineering directing and supervising the operation of Civilian Conservation Corps Camps engaged in the maintenance of drainage improvement in organized drainage enterprises	$30,361	$35,000	$35,000

EMERGENCY FUNDS - BUREAU TOTAL

Summary

Projects	Obligated 1935	Estimated obligations, 1936	Estimated available, 1937
Direct Allotments:			
Public Works Allotments (National Industrial Recovery Act): For physical improvements.....	$57,318	- - -	- - -
Emergency Relief (Appropriation Act of 1935, physical improvements).	- - -	$7,151	- - -
Total, Direct Allotments.....	57,318	7,151	- - -
Indirect Allotments:			
Emergency Conservation Work (authorized by Act of March 31, 1933; allotment through War Department): Work of Civilian Conservation Corps, as reported above.....	30,361	35,000	35,000
Total, All Emergency Funds.....	87,679	42,151	35,000

PASSENGER-CARRYING VEHICLES

The authorization for purchase of passenger-carrying vehicles contemplates the acquisition of five new passenger-carrying cars during the fiscal year 1937, four of which are for replacement. As shown by the Budget schedule, the $3,000 would permit the replacement of four vehicles at a net average cost of $575 each, when exchange allowances are taken into account, and the purchase of one additional vehicle at an average cost of $700. The replacements are needed in order to obviate the continued use of worn-out cars at excessive maintenance costs. The cars to be traded in will have been in service from four to six years. The use of passenger-carrying cars is very necessary in the conduct of the work of this bureau, since many of the points to be visited are accessible only by automobile and experience has shown that it is more practicable and economical to operate Government cars than to use personally-owned cars on a mileage basis. The additional car required is for field use in connection with the research work being carried on under the project "Farm Buildings and Related Investigations."

BUREAU OF AGRICULTURAL ECONOMICS

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation Act, 1936	$236,306
Budget Estimate, 1937	236,306

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
General administration and business service	$242,715	$236,306	$236,306
Unobligated:			
Savings	35	- - -	- - -
Total	242,750	236,306	236,306

WORK UNDER THIS APPROPRIATION

This appropriation provides for the general administration of the work of the entire bureau. It covers the activities of the chief and assistant chiefs of the bureau in formulating general policies to be acted upon by the various divisions of the bureau, as well as the direction and general supervision of all of the research, service, and regulatory work. The appropriation also covers the various service units connected with the business administration of the bureau.

(b) FARM MANAGEMENT AND PRACTICE

Appropriation Act, 1936	$344,080
Budget Estimate, 1937	366,580
Increase	22,500

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Agricultural finance	$59,530	$69,977	$74,977	+$5,000 (1)
Economic studies of land use	76,560	79,550	79,550	- - -
Farm population and rural life	23,874	25,225	42,725	+17,500 (2)
Farm management studies	168,270	169,328	169,328	- - -
Total obligations	328,234	344,080	366,580	+22,500
Unobligated:				
Savings	3,766	- - -	- - -	- - -
Total	332,000	344,080	366,580	+22,500

The increase of $22,500 for 1937 includes:

(1) An increase of $5,000 in the project "Agricultural Finance." This increase is requested to cover the salary and expenses of an agricultural economist to devote his entire time to developing estimates of total farm indebtedness. Increasing demands are being made by States for estimates of outstanding long- and short-term indebtedness and of interest payments for use in estimating farm income and for showing total debt charges against agriculture. The Farm Credit Administration has also expressed a desire to have this work expanded. Information on farm mortgage debt is gathered by the Bureau of the Census in census years. These data, however, are not complete, as they cover only owner-operated farms. Life insurance companies and farm-mortgage bankers also supply us with data covering farm mortgage indebtedness. Data are obtained from many credit agencies, and various checks are available on these data. Certain data are gathered by the Farm Credit Administration and other agencies of the Government.

With the increase requested, this Bureau proposes to study and coordinate data from all the various sources and to develop sources of additional data, so that a more complete picture of the whole field of farm indebtedness can be shown. Through use of all the available data and by making special surveys, this bureau aims to develop dependable estimates of total farm indebtedness and keep abreast of the changes from year to year for the country as a whole and for individual States.

(2) An increase of $17,500 in the project "Farm Population and Rural Life Studies", as follows:

(a) An increase of $10,000 is needed for a study of population migration in rural areas. The purpose of this project is to discover trends, destinations, sources, and selective influences in the migration of population to and from selected rural areas. The importance of this study cannot be overemphasized at present in view of the pronounced changes due to depression, drought, industrial decentralization, all-weather roads, automobiles, rural electrification, and other factors. The relief authorities have been urging such studies for some time. They are basic to long-time planning, especially as related to land utilization. A corollary is the problem of the rural young people now at home with little to do, whereas in pre-depression times many of them would have migrated to the cities and found employment. Unusual migrations into areas where 5 to 10 years ago farm abandonment was proceeding rapidly and migration into some of the western States merit special attention in this connection.

(b) An increase of $7,500 is needed for work on rural organization. The participation of various types of farm families in different economic, civic, social, and other organizations available to them and their reactions to such organizations is included in these studies. Previously completed studies of some of the cooperative business organizations and general farmers organizations have helped these groups to a clearer understanding of their membership relations problems, educational services requisite to maintaining an informed membership, and other matters related to successful promotion and maintenance of a large and loyal membership. Studies of the general farmers' organizations have had the same result. Work of this character was discontinued 3 years ago due to lack of funds. The proposed budget would provide

for a local study involving interviews with perhaps 2,000 farmers in various parts of a single State.

WORK UNDER THIS APPROPRIATION

General--

Projects developed under this appropriation are concerned chiefly with the economics of farm production. These include not only studies of the organization and management of the individual farm but also take into consideration credit, taxation, insurance, farm tenure, utilization, and problems of rural life. Investigations are made to determine the types of farming in various geographical units and the factors which shape such types. Where it appears that adjustments can be made to advantage these are pointed out. Work is carried on to determine the most effective form of organization of farms, including size, crops and livestock grown, financial and labor organizations, and other matters concerning the farm as an economic producing unit. Costs of production are studied and various methods of operation are compared with regard to their effect on costs and returns. Analyses are made of the problems of farm mortgage financing and production and marketing credit. Farm taxation is studied and information published on trend in tax burdens, farm tax delinquency, and possible farm tax reductions through economies in rural government and changes in taxation. Studies of farm insurance, farm population movements, standards of living, and various other farm problems are also being made. This work is closely coordinated with the other activities of the bureau which help to furnish a broad foundation of economic data.

Agricultural Finance. -- This project covers studies of farm credit, farm taxation, and farm insurance.

Through the credit studies, information is obtained and made available on amounts, distribution, and trends of farm-mortgage debt, territorially and by tenure of farms, agencies, or sources of farm-mortgage credit; prevailing costs and other terms and conditions of loans from each source, factors affecting terms, and conditions of production and marketing credit as well as of mortgage credit; influences of monetary policies upon supply and cost of credit for agriculture; the place of merchant credit in farm finance; the relation of types of farming to the supply of production credit, etc.

The problems of agricultural credit have become much more acute in recent years. The total farm mortgage indebtedness in the United States increased from about $3,320,000,000 in 1910 to $9,468,000,000 in 1928. Since 1928, there has been a considerable decrease due principally to the large volume of foreclosures. The amount outstanding in 1933 was estimated to be about $8,000,000,000. More than 40 percent of all the farms of the country carry some mortgage indebtedness.

The Bureau's studies have shown that farmers in many sections are paying excessive rates for production loans, especially when in the form of merchant credit. Farmers have suffered severely also from country bank failures and inability to obtain needed credit. The Bureau is investigating a number of phases of the short-term credit situation in cooperation with other Governmental and State agencies.

The increasingly heavy burden of taxation upon the farmer led the Bureau of Agricultural Economics to institute studies of the farm-taxation problem in 1924. Since 1927 data have been gathered continuously and have been in great demand by State and Federal agencies.

The Bureau obtains information by States of (1) average tax per acre on farm land, (2) total taxes paid on farm property, and (3) relation of taxes to value of farm real estate since 1913. Estimates have been obtained also by States of the amount of rural tax delinquency each year from 1928 to 1932, amounts of delinquent taxes paid each year, acreage, assessed valuation, types of property involved, and other characteristics of the delinquency, etc. Corresponding information is being obtained also on tax sales, records of land transfers, and other data.

The central point in the farm-tax problem is the undue burden of the general property tax upon real-estate owners and particularly upon owners with meager incomes, such as most farmers and small-home owners. Recommendations on this problem were made in June 1934 in a report entitled "The Farmers' Tax Problem", published as House Document 406, Seventy-third Congress, second session. This report touches on the necessity of coordination of State and Federal taxes to facilitate desirable State tax revision, outlines the fundamental nature of the farm-tax problem, and contains much basic information resulting from the Bureau's research.

The farm-insurance studies deal with problems of insurance protection for farmers against loss from fire, windstorm, hail, liability, and other hazards to property and persons on the farm.

Economic Studies of Land Use. -- This project covers studies of land resources and probable future trends in land use. Information is gathered from every available source and is compiled and analyzed for the purpose of furnishing information on changes in land utilization and probable future land requirements. The work is part of the effort to formulate a definite and unified land policy which will provide a planned utilization of all land resources according to the uses for which the various types and grades of land are best fitted.

The work is closely associated with that of the Resettlement Administration. The plan of the Bureau of Agricultural Economics is chiefly to carry on research which includes the fact-finding and analysis necessary to provide a sound basis for the practical steps involved in actively establishing purchase areas, acquiring title to land, and arranging for its management.

Cooperative studies are carried on with State and local agencies which aim to outline for each area studied the economic and social conditions, problems, and tendencies and to develop for such area a detailed program that will facilitate needed readjustments. General surveys are made also to determine the extent, distribution, location, and present economic status of lands which private owners have found difficult or impossible to utilize and to determine desirable public policies to bring about the readjustments indicated. An annual survey is made for the purpose of providing a critical and unbiased appraisal of current changes in the farm real-estate situation with particular reference to changes in values, frequency of voluntary and forced sales of farms, and the effects on values as such factors as income taxation, credit

policies, methods of handling distressed real estate, and other economic problems. The tenth number of the series, "The Farm Real Estate Situation, 1934-35", has recently been completed. Assistance is given also to other Departments in appraising land to be acquired by the Federal Government. Studies are made also of the methods and experiences of public and private land settlement agencies for the purpose of supplying unbiased information to persons desirous of purchasing lands or of establishing settlement projects. Assistance is given also to various agencies in directing the expansion of agriculture to those areas best suited to farming, and to assisting prospective settlers to establish themselves in accordance with sound economic principles. Information is assembled also concerning the farm tenancy and ownership situation.

Farm Population and Rural Life. -- This project covers studies of composition and changes in the rural population, rural community organizations and institutions, and the social and economic factors involved in expenditures of farm families for living purposes.

Information is compiled on the trends of farm population, the causes of movements to and from the farm and other economic aspects of population shifts, including an annual estimate of the number of persons living on farms. Population migration is a vital factor in maintaining the balance between agricultural and industrial activities, and information on the subject has been eagerly sought by agricultural workers throughout the United States. Population research underlies land-use planning, rural rehabilitation, and agricultural adjustments.

Information is being gathered covering the extent to which farmers find part-time employment in local industries and the effect of such activities on the farm family living. Expenditures of farm families have been obtained and analyzed as an index to the economic situation in various localities.

Farm Management Studies. -- This project studies the internal management of the farm for the purpose of finding out how farms can be organized as to size, kinds of crops, combination of crops and livestock, etc., to produce the best results. As a result of this work the Bureau is able to point out adjustments that may be made on individual farms and in various regions and type of farming areas to reduce costs, increase net returns, and adjust production to demand and market outlets. As a basis for these adjustments there must be adequate information. This project, therefore, presents to farmers, farm organizations, and agricultural workers the current facts on production and demand and probable future trends which will aid them in their farm plans. Continuous adjustments based upon full information are needed in bringing about improvements in present conditions and in helping to prevent their recurrence.

The closest cooperation is maintained between this work and the other activities of the Bureau as well as with other Federal and State agencies. For example, in the past year a nation-wide project has been conducted in cooperation with all the State experiment stations, the object being to determine the extent and nature of production adjustment in various parts of the country that would conform to sound farm-management and soil-conservation practice. Information is gathered, compiled, and published annually on the costs of producing a number of the principal agricultural products. The

figures are published for separate localities, regions, and groups of producers. The finding of costs of production represented by these figures is only a part of the work of the Bureau on costs. The other and more important phase has to do with economy in farm organization and operations to determine how costs in farming can be reduced. Farm-organization studies are made in which the whole physical and financial organization and operation of the farm is studied through obtaining figures from representative farms in different type-of-farming areas.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935
Civil Works Projects:	
Studies of rural tax delinquency, farm mortgages, and land values.....	$164,299

(c) MARKETING AND DISTRIBUTING FARM PRODUCTS

Appropriation Act, 1936	$743,654
Budget Estimate, 1937	756,154
Increase	12,500

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase (Estimated)
Obligated:				
Fruits and vegetables, Marketing research on	$51,309	$55,229	$55,229	- - - -
Livestock, meats, and wool, Marketing research on	52,709	58,082	58,082	- - - -
Dairy and poultry products, Marketing research on	22,323	25,209	25,209	- - - -
Hay, feed, and seed, Marketing research on	50,481	54,000	54,000	- - - -
Cotton marketing and utilization research	42,051	50,410	50,410	- - - -
Cotton standards, testing and ginning research	88,932	141,932	141,932	- - - -
Grain standardization and marketing research	74,100	71,686	71,686	- - - -
Analysis and statistical research on agricultural conditions and trends	102,147	113,018	125,518	+ $12,500 (1)
General marketing studies	25,593	35,000	35,000	- - - -
Outlook reports on agricultural situation	95,326	93,924	93,924	- - - -
Interpretation and dissemination of information on marketing research	47,452	45,164	45,164	- - - -
Total obligations	652,323	743,654	756,154	+ 12,500 (1)
Unobligated:				
Savings	9,420	- - - -	- - - -	- - - -
Total	661,743	743,654	756,154	+ 12,500 (1)

(1) An increase of $12,500 for 1937 in the project "Analyses and Statistical Research on Agricultural Conditions and Trends", to be used as follows:

(a) An amount of $6,250 will be used to restore the tobacco research work and to make more adequate provision for gathering and analyzing tobacco statistics, with special reference to changing trends of production and prices. The statistical research on tobacco was dropped three years ago because of lack of funds. Work along this line is urgently needed, however, in order that tobacco growers may be advised with regard to the probable outlook for various crops. There are many types of tobacco the uses for which are quite separate and distinct. It is necessary, therefore, that much analytical work should be done to establish the statistical position of each type and the probable future demand. The effects of foreign competition and of various control measures should be analyzed with respect to each important type.

(b) An amount of $6,250 will be used for statistical analysis on fats and oils. Fats and oils are much involved in legislation and in the activities of the Federal Government. Several of the farm products yielding vegetable oil materials are becoming very important in the agriculture of the country. No funds have ever been provided to do analytical work on production or market and price trends. It has been necessary to furnish certain information to Congressional committees and others but this work has been done at the expense of other lines of research work. The increase will provide for the employment of an agricultural economist to give full time to analyzing the situation with regard to the fats and oils. Special studies will be made of important products such as peanuts and soybeans.

The farm cash income from fats and oils produced in 1934 amounted to over $400,000,000. This includes estimates of income from the oil of cottonseed, flaxseed, soybeans, and peanuts and the fat products from cattle and hogs. The total income from the crops and livestock involved in this fats and oils production amounted to about $2,500,000,000, or about 40 percent of the income from all agricultural production for that year.

Fats and oils constitute a complex, competing group of commodities. Radical changes in the production or importation of one important source of fats and oils are likely to have some effect upon all the others.

Readjustments in production in the United States are resulting in material increases in the production of soybeans and peanuts. Soybeans, which were unimportant in the United States before the war, have become an important crop, particularly in the Corn Belt. The acreage and production of soybeans have increased rapidly in recent years. Between 1925 and 1935 the area planted to soybeans increased from 2,000,000 to 5,460,000 acres. Production of beans gathered has increased from 5,000,000 to over 20,000,000 bushels, while production has increased from 2,520,000 to over 35,000,000 pounds. Soybean oil has many uses. It can be used in the manufacture of soap, oleomargarine, or paints. Recently it has been used extensively, with perilla oil, as a substitute for linseed oil in the manufacture of paints. Domestic production has been increasing at such a rapid rate that prices of soybeans have declined relatively to the prices of other products. Imports have practically been eliminated, and in the past year exports have nearly equaled imports.

Peanut production has expanded but not so rapidly as soybeans. The area in peanuts increased from 958,000 acres in 1925 to 1,692,000 acres in

1935, and production has increased correspondingly. The peanut oil manufactured increased from 15,000,000 pounds in 1925 to 47,000,000 in 1934. In the case of both peanuts and soybeans it is desirable to make a careful analysis of production, price trends, and uses as a basis for determining a policy with reference to the production of these two crops that promise to become very important in our national agricultural production.

WORK UNDER THIS APPROPRIATION

General--

This appropriation deals primarily with statistical research covering most of the important farm products. Analyses are made of the great volume of statistics gathered largely by the Division of Crop and Livestock Estimates, the News Services, and other activities of the Bureau, in order to establish the statistical position of each agricultural product. These data are published in annual outlook reports, in periodic bulletins on the agricultural situation and price situation, and other releases, and is carried direct to the farmer by the farm-management and other workers of the Bureau and of cooperating agencies. The Bureau works continuously with the Agricultural Adjustment Administration in carrying out the agricultural adjustment program.

The physical problems connected with handling, grading, packing, shipping, and marketing of products are studied and recommendations are made for improvements. Numerous laboratory studies are carried on such as spinning and ginning tests of various types and grades of cotton, and milling, baking, and other tests connected with the grading of grain are made. Work is being done to establish additional uses for cotton. Extensive research is carried on concerning problems connected with the grading of farm products. Standardized grades have been prepared for a large number of products, and demonstrational work is carried on to educate the producers and the trade in their use. Continuation of the work under this appropriation is of utmost importance in meeting the demand of producers and the trade for information on problems connected with the marketing of farm products.

Fruits and Vegetables -- Marketing Research on. -- The object of this work is to bring about improvement in the handling and marketing of fruits and vegetables and to develop standards and grades for universal use. Basic statistical data are also furnished, and are needed as guides to the fruit and vegetable industry and serve also as a basis for the development of marketing agreements under the Agricultural Adjustment Administration.

Grading standards defining in detail the quality and size requirements and tolerances for most of the important fresh fruit and vegetable crops have been worked out and published. Grades for crops for canning are receiving considerable attention at the present time. It is necessary to carry on extensive field studies on various crops so that the standards can be revised when necessary to keep abreast of changing conditions. Much attention is being given to the compilation of detailed and dependable information on the supplies of fruits and vegetables received in various markets and shipments by State, county, and shipping point. These data have been analyzed in detail for certain crops. The motor truck has become an important means of distribution, and its use and effect are being studied. Information of especial benefit to consumers is compiled and published. For example, a bulletin entitled "A Fruit and Vegetable Buying Guide for Consumers" carries information

that enables the housewife or purchaser at retail to buy more intelligently. Bulletins are published from time to time embodying the Bureau's findings and recommendations.

Livestock, Meats, and Wool -- Marketing Research on. -- One of the principal objects of this project is to develop and bring about the universal use of uniform grade standards for all classes of livestock and meats. In addition, studies are conducted which aim to bring about improvements in the methods of handling these commodities and lowering of costs. These studies involve surveys of supply and demand conditions, transportation facilities, preparation, manufacture, storage, and distribution of meats and meat products, relative costs and prices of meat animals and of their products under various systems of marketing, and the economic factors bearing upon the efficiency of marketing methods and on the stability of market conditions.

These standards are used in the conduct of the market grading and market news services and are revised when found necessary to meet the needs of the industry. Much demonstration work is being done in cooperation with the Extension Service to bring about an understanding of the Department's standards.

Dairy and Poultry Products -- Marketing Research on. -- The object of the work is to conduct thorough studies of the marketing of dairy and poultry products, including methods and costs of their preparation for market, etc. Standards are prepared for the various products and their use explained and demonstrated. Studies are made also of the production, marketing, distribution, and consumption of these products, price quotations, and trade and exchange practices. Assistance is given in meeting special problems resulting from changing conditions and in working out more efficient and economical methods and practices. Consumer demands and preferences are being studied, and more complete data on utilization are being compiled and published.

Hay, Feed, and Seed -- Marketing Research on. -- This project covers studies of methods and practices in connection with the marketing of various types of hay, alfalfa and alfalfa meal, beans, soybeans, peas, seeds, etc. Assistance is given on special problems and effort is made to work out improvements in methods leading to the more efficient and economical handling of these products. Standards have been prepared for most of the commercial classes of hay but much research and educational work remains to be done.

Cotton Marketing and Utilization Research. -- Studies are made of methods of marketing cotton and cottonseed throughout the entire chain as a means of determining the services rendered by the various marketing agencies, the costs, prevailing margins, and relative efficiency of various methods. The work aims to provide a factual basis for improving market conditions and practices and to bring about better coordination of market procedure with the crop-improvement programs and with spinners' requirements and preferences relative to cotton quality.

Much information has been published on the extent to which prices paid by manufacturers and in central markets are reflected back to growers and on the relationship between prices paid to growers and prices prevailing in futures markets, but further research and educational work is needed. Information is being gathered also on the extent to which prices received by growers

reflect differences in quality, in order to assist producers of better qualities to obtain the premiums to which they are entitled and also to stimulate the production of better grades of cotton.

Statistics are being compiled and analyses made of shifts and changes in the uses of cotton, the growth of new uses, competition of foreign-grown cottons with American, and the encroachment of other fibers upon the fields of cotton use. It is essential in the consideration of cotton-production programs that cotton growers and their advisors be informed concerning the uses of cotton and of the changes taking place in these uses. Continued attention has been given to the possibilities for increasing the use of cotton through its use in the "consumer packaging" of farm products.

Studies of cotton utilization are carried on in cooperation with mills and other industries engaged in processing or using cotton and from secondary sources such as the Census reports, reports of the Cotton-Textile Institute, and other trade associations. Data regarding quantitative and qualitative requirements of cotton mills and various other industries are secured, as well as information regarding the factors affecting the consumption of various qualities of cotton, such as machinery, labor costs, kind of goods produced, general business conditions, and competing products. These data and the supplementary information are collected, analyzed, and made public. Utilization studies indicate the probable demand or future requirements for cotton and point the way to the fields in which the most effective work can be done in finding new uses and extending present uses for cotton. Actual work in developing new and more suitable cotton fabrics for specific purposes is accomplished by laboratory and commercial mill tests in cooperation with the Textile School of the University of North Carolina and with individual manufacturing plants.

Cotton Standards, Testing, and Ginning Research. -- In addition to the established standards, there are important elements of quality not yet embraced in any system of standards but generally recognized under the group name "character". These elements, because of their economic importance, exert a very disturbing influence upon the classification of grade and staple. Furthermore, their importance threatens to overshadow that of the elements included in the conventional classification. This is evidenced by the ready admission of manufacturers and mill men that even with the knowledge of the grade and staple lengths of their raw cottons they can not predict the properties of their manufactured products. Raw cottons of the greatest beauty and promise have fallen down significantly when spun into yarn or manufactured into cords or fabrics. Nobody knows in terms of fundamental fiber properties just what the satisfactory cottons had in them that made them better and what qualities the unsatisfactory cottons specifically lacked. If the fiber properties necessary for a specific yarn or fabric property could be recognized in advance, a great improvement in the marketing of raw cotton would be accomplished.

It is the purpose of these studies to relate the various fiber properties to more fundamental physical constants; to find the relations between the fiber properties and the properties of the manufactured products; to provide practicable methods for recognition of the properties and comparison with the standards; and to supply more accurate controls for graduation, establishment, and reproduction of the standards.

The work on cotton ginning is carried on jointly with the Bureau of Agricultural Engineering at the Department's cotton ginning and fiber laboratory at Stoneville, Miss., as well as this Bureau's fiber laboratories at Washington, D.C., and its spinning laboratory at Clemson College, S. C. It is concerned with improving the quality of American cotton and with preventing loss resulting from improper handling.

Much progress has been made in these studies and improvements have been made in both methods and equipment. Information is being given out as fast as the tests made conclusions possible. For example, it has been found that cotton having a moisture content of 12 percent or higher should be dried before ginning. A vertical seed cotton drier was developed by the Department at Stoneville for the purpose. It has been shown that the net monetary benefits from drying seed cotton range from 50 cents to $6 per bale. Further work aims to develop information with regard to the fundamental problems of cotton conditioning and ginning and to provide a more exact understanding of the threefold relationships between the properties and conditions of seed cotton, the mechanical elements and operations of the machinery, and the resulting quality of the lint, seed, and other production.

Grain Standardization and Marketing Research. -- This project covers the work of the milling, baking, and grain testing laboratory and other work connected with the formulation and revision of grain standards and in meeting special problems and establishing policies with respect to the interpretation and application of the standards under the Grain Standards Act. This project cooperates with the Bureau of Plant Industry in ascertaining the milling and baking properties of the many hundreds of wheat varieties grown by that Bureau throughout the country, thus enabling the crop-production units of the Department to select desirable varieties which have been tested in comparison with the commercial lots of grain which are tested in connection with formulation and revision of grain standards. Methods and practices involved in the harvesting, handling, storing, cleaning, artificial drying, and bulk handling of grain are studied, with a view to developing methods for improving the quality and market value of the grain and to avoid losses from deterioration of the grain while it is in storage or during transportation.

In order to be most useful the grain standards must be readily applied under practical conditions and must meet the needs of producers and the grain trade. For this reason research work must be continued in meeting new grading problems. Extensive revisions of the standards were made effective on July 1, 1935. The necessity for speed in grading samples has led to the development of a number of mechanical devices. Work is being continued for the purpose of improving grain-grading equipment such as probes, sample dividers, moisture testers, and devices for separating foreign material from grain.

Analyses and Statistical Research on Agricultural Conditions and Trends.-- The general objective of this project is to bring together as complete statistical information as possible with regard to each of the major agricultural commodities and to point out the significance of these data in terms of future trends in production, demand, prices, etc. Indices have been developed and kept current on prices, market movements, and stocks of important farm products, as well as data showing business activity and general price levels.

Monthly estimates of the sale of farm products by months have been inaugurated, and a series of publications has been developed which show the world situation with regard to cotton, wheat, livestock, wool, dairy products, and other important commodities. Information is gathered on prices received and prices paid by farmers and on agricultural income, and the effects of various factors on agricultural income are appraised.

The conditions in industry, consumers' incomes, and foreign competition are studied as they affect the demand for American farm products. Analyses are made to determine the extent to which these conditions influence prices and shape their trends throughout marketing seasons and from one producing period to another. Results of the analyses are released in regular weekly, monthly, and annual reports and in special statements and graphic summaries.

The Bureau is taking a very active part in providing the factual basis for tariff adjustments and trade bargaining with foreign countries. This Bureau is, no doubt, in a strategic position to analyze the effect of various tariffs and concessions on American agriculture, as well as to indicate concessions which can be made to foreign countries without unduly injuring any of our agricultural interests. The staff is making definite contributions to tariff adjustments in cooperation with the State Department and other agencies of the Government. It is the aim to help in assuring that the agricultural phases of the tariff bargaining program are taken fully into account.

General Marketing Studies. -- Many of the most important marketing problems are common to a number of different agricultural products. The various commodity divisions of the Bureau are not well adapted to the study of general problems of this kind. The Division of Marketing Research was organized early in 1935 to undertake a program of research in the general field of marketing agricultural products. Its concern will be largely with regional and national problems. Most of these problems are concerned with the marketing of several products and involve questions of national policy. Examples of such problems are the development of sound marketing agreements, the coordination of Federal, State, and municipal regulations concerning the marketing of farm products, and the development of efficient and adequate facilities for handling farm products in regional and terminal markets.

The objects of this research are (1) to discover accurate facts about the marketing methods now in use, the history of their development, the relative costs and efficiencies of different methods, and the economic effects of various regulations or attempts to change marketing methods; (2) to appraise the probable economic effects of possible changes in marketing methods, market organization, or marketing facilities; and (3) to help to bring about a better understanding of the most important marketing problems and to provide a basis for national and regional marketing policies, with a view to lowering marketing costs, performing more adequate services, and increasing the consumption of agricultural products.

Most of these studies require the gathering of detailed statistics on prices of agricultural products, on movements to market, and on costs of marketing, and the analysis of such statistical data to present an accurate picture of market conditions and to explain variations in conditions in different markets and at different periods of time.

Outlook Reports on Agricultural Situation. -- The preparation and publication of annual Outlook reports was inaugurated in the spring of 1923, and these reports have been continued and enlarged from year to year. The object of these reports is to provide a comprehensive summary of the factors likely to affect the returns secured from each important farm product produced, so that an increasing number of farmers may adjust their cropping, breeding, and fattening programs to the prices and marketing conditions that may reasonably be expected at marketing time rather than on prices secured in past seasons.

This work is carried on in close cooperation with the Agricultural Adjustment Administration and other bureaus of the Department and is participated in each year by a large number of agricultural workers from the various States.

The research work required to permit definite "Outlook" statements covering current and prospective supplies, prices, and returns has been increasing continuously. The reports have covered an increasing number of crops and an increasing number of kinds of livestock and livestock products. They also cover in more detail the prospect for various types of crops such as tobacco and wheat and prospects for livestock and other products produced for market at various seasons of the year.

Interpretation and Dissemination of Information on Marketing Research. -- The statistical and economic editorial informational and distribution work of the Bureau is done for all forms of release--publication, mimeographed reports, press releases, radio broadcasts, exhibits, motion pictures, and materials for extension workers. All Bureau publications are appraised, verified, edited, and prepared in form for release. Manuscripts and reports on statistical and economic subjects are prepared to meet various forms of inquiry.

The Department publications "Crops and Markets" and "The Agricultural Situation" are edited, and supervision is maintained over all Bureau mailing lists and periodicals. Charts covering economic information are prepared and sold to extension workers and others, and exhibits are prepared for fairs and expositions in cooperation with the extension service of the Department. Supervision is maintained over the photographic laboratory, and job printing and mimeographing orders are handled. Many special releases covering various phases of the Bureau's work, as well as information on statistical and economic subjects in reply to inquiry, are prepared.

(d) CROP AND LIVESTOCK ESTIMATES

Appropriation Act, 1936	$661,289
Budget Estimate, 1937	686,289
Increase	25,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Crop and livestock reports	$579,494	$596,081	$621,081	+ $25,000 (1)
Production and marketing statistics, compilation of	60,566	65,208	65,208	- - - -
Total obligations	640,060	661,289	686,289	+ 25,000 (1)
Unobligated:				
Savings	121	- - - -	- - - -	- - - -
Total	640,181	661,289	686,289	+ 25,000 (1)

(1) An increase of $25,000 in the project "Crop and Livestock Reports" for the purpose of inaugurating comprehensive reports on poultry and eggs. The gross income from poultry and egg production in the United States, when compared with the income from other farm products, held from fourth to second place during the five years 1929 to 1933. Chickens were reported by the United States census of 1930 on 85 percent of the farms, this being a larger proportion than shown for any other farm product. However, current information concerning the status and output of this huge industry has been lacking to a greater extent than for any other industry. During the past few years estimates have been prepared by this Department to cover this neglected field, based upon incomplete data collected incidentally in connection with its established projects covering other farm products. No funds have ever been provided to set up a definite and permanent service of statistical information covering this subject.

Recognizing the economic importance of the subject and the need for current statistics of numbers and production, the Division of Crop and Livestock Estimates has supplied such data to the extent that has been possible through incidental inquiries and has made studies of available data when time could be spared from the work on established projects. The amount and importance of the work done by this office in behalf of the poultry industry, without special provision of means for that purpose, falls far short of what the industry requires. The usefulness of the data thus far developed and published

and of the conclusions to be drawn from them has been limited by the impossibility of covering important special branches of the industry.

The Bureau should gather information on commercial flocks, as these are of major importance in a number of States. Additional personnel are needed also to check up data gathered from various sources and to obtain additional information. Additional funds are needed for travel in order to establish contacts with the industry in the field. The increase will provide for annual estimates of the total number of chickens and monthly reports on hens and pullets, frequent periodic reports on young chickens on hand, and on production of eggs. Special studies will be made of commercial flocks, eggs produced, rate of laying, breeds of chickens produced, estimates of sales and of farm consumption of eggs and poultry, farm prices, and much additional information of vital interest to the poultry industry. Analyses will be made of the data gathered in order to forecast probable future production.

WORK UNDER THIS APPROPRIATION

General--

The work under this appropriation consists of the estimates of crops and livestock and the compilation and publication of statistical data relating to production and marketing. This work provides much of the basic data for the research and service work relating to the economics of agriculture. Estimates of acreage and forecasts of the production of the various crops and statistics of numbers and value of livestock and livestock products are prepared, as well as a large volume of related information. The reports cover more than 90 crops and classes of livestock. A very large part of the work is being conducted in close cooperation with the Agricultural Adjustment Administration, and detailed statistics by county have been prepared for a number of crops to serve as a basis for the program of crop adjustment.

Crop and Livestock Reports. -- The principal function of this project is to collect, compile, analyze, record, and publish basic data of a statistical nature, secured largely from primary sources, covering all phases of present and prospective crop and livestock production, stocks, prices received, prices paid by farmers, labor supply, and related subjects. The work includes estimating acreage, yield per acre, quantity of production, farm utilization and sales of 36 staple and special crops, 25 commercial truck and canning crops and 25 fruit and nut crops; inventories of livestock, estimates of livestock and poultry production, and production estimates for milk, wool, and eggs; also monthly and annual estimates of farm prices to serve as a basis of evaluating the production of crops, livestock, and livestock products and for measuring the rise and fall of prices of farm products as a group. The work includes the collection and publication of timely information concerning the progress of growing crops, forecasts of production, estimates of stocks of commodities in hands of farmers and first receivers, etc.; intentions to plant reports, forecasts of livestock numbers, and many other special reports.

This division has taken an active part in such emergency activities as the corn-hog, wheat, and cotton programs of the A.A.A., in the fruit and vegetable work in the General Crops Section of the A.A.A., and in connection with marketing agreements covering various commodities. The Bureau provided the information upon which county quotas for corn, hogs, wheat, and cotton were established.

The State statisticians have acted as advisory consultants to the State cotton allotment boards, and members of the statistician's staff have assisted in the tabulation and analysis of the applications of cotton producers for allotments under the Bankhead Cotton Act.

In securing the information on which the various estimates and forecasts were based the Division distributed some 10,000,000 questionnaires during the calendar year 1934. During the same year the "frontage" of the various crops was measured along some 54,000 miles of road.

Most of the tabulation and original preparation of estimates is done in the 40 offices maintained in the various States. In all, 24 State departments or boards of agriculture and 8 State colleges of agriculture are cooperating in the maintenance of these offices. The branch offices are located at the following points: Albany, N.Y., Athens, Ga., Austin, Tex., Boise, Idaho, Boston, Mass., Brookings, S. Dak., Charleston, W. Va., Cheyenne, Wyo., College Park, Md., Columbia, Mo., Columbia, S. C., Columbus, Ohio, Denver, Colo., Des Moines, Iowa, Fargo, N.Dak., Gulfport, Miss., Harrisburg, Pa., Helena, Mont., Knoxville, Tenn., Lansing, Mich., Las Cruces, N. Mex., Lincoln, Nebr., Little Rock, Ark., Louisville, Ky., Madison, Wis., Montgomery, Ala., New Orleans, La., Oklahoma City, Okla., Orlando, Fla., Phoenix, Arix., Portland, Oreg., Raleigh, N.C., Richmond, Va., Sacramento, Calif., Salt Lake City, Utah, Springfield, Ill., St. Paul, Minn., Topeka, Kans., Trenton, N.J., and West Lafayette, Ind.

Production and Marketing Statistics -- Compilation of. -- This project covers a service section which compiles statistics for publication and for the use of the analysts. Statistics are compiled covering all the major crops. A series of statistical bulletins is being prepared and published which carry comprehensive information on production, consumption, supplies, market receipts, exports, imports, prices, etc., for the various farm products. Similar information is prepared for the Department Yearbook and other publications.

(e) FOREIGN COMPETITION AND DEMAND

Appropriation, 1936	$298,000
Budget Estimate, 1937	298,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Foreign competition and demand	$262,967	$298,000	$298,000
Unobligated:			
Savings	2,841	- - -	- - -
Total	265,808	298,000	298,000

WORK UNDER THIS APPROPRIATION

An Act of Congress approved June 5, 1930 provides for the acquiring of information regarding world competition and demand for agricultural products, the production, marketing, and distribution of such products in foreign countries, and the dissemination of this information throughout the United States for the benefit of the farmers and others. It provides also for investigation abroad of economic phases of the agricultural industry, for the demonstration of standards for agricultural products in foreign countries, and other matters. The service renders very valuable assistance to American farmers and shippers by acquainting them with foreign market needs and preferences. Much information on the foreign market situation is released regularly in the publication "Foreign Crops and Markets" and is sent out over the Bureau's leased telegraph wire system to the various news service branch offices to be given publicity throughout the country.

This Bureau keeps in constant touch with the changing agricultural situation in the principal foreign countries, either through its own representatives or through cooperation with other Government agencies, the International Institute of Agriculture, and departments of foreign Governments.

Changes of great importance have taken place during the last few years. Exports of agricultural products have continued to decline. This has been brought about in part by mounting tariffs, import quotas, embargoes, and other barriers to international trade. These barriers have served not only to diminish the outlets for American products but to stimulate production in the importing countries. In addition, competition has been increased by various forms of direct Government aid such as subsidies and export bounties in foreign countries. These developments are of vital significance to American agriculture. It is one of the important functions of the Foreign Agricultural Service to study these developments intensively and to analyze their significance to the American farmer.

Field studies are being conducted to determine the probable future demands for livestock products, grain, tobacco, cotton, and fruit and the potential competition which foreign production will offer American products.

Field offices are maintained in London, Paris, Berlin, Belgrade, Buenos Aires, and Shanghai, and several commodity specialists are making special investigations in Europe and Asiatic countries.

(f) MARKET INSPECTION OF FARM PRODUCTS

Appropriation Act, 1936.	$431,203
Budget Estimate, 1937.	378,533
Decrease.	52,670

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Decrease
Obligated:				
Inspection and certification of fruits and vegetables.....	$250,801	$263,828	$263,828	- - -
Grading and certification of canned fruits and vegetables.....	14,154	17,400	17,400	- - -
Grading and certification of dairy and poultry products.....	30,000	33,190	33,190	- - -
Inspection and certification of hay, beans, soybeans, etc.....	25,717	28,350	28,350	- - -
Grading and certification of meat.....	28,920	31,150	31,150	- - -
Inspection and certification of tobacco.....	51,092	52,670	- - -	-$52,670 (1)
Inspection and certification of rice.....	4,413	4,615	4,615	- - -
Total obligations.....	405,097	431,203	378,533	- 52,670 (1)
Unobligated:				
Savings.....	9,068	- - -	- - -	- - -
Total.....	414,165	431,203	378,533	- 52,670 (1)

(1) There is a decrease of $52,670 under this appropriation due to the proposed discontinuance of the project "Inspection and Certification of Tobacco." The Tobacco Inspection Act, approved August 23, 1935, provides for inspection of tobacco under certain mandatory provisions. The work under this specific Act, estimated for 1937 under that heading, will supersede the service now being rendered on tobacco under the provisions of the appropriation "Market Inspection of Farm Products." It is proposed, therefore, to decrease this appropriation in 1937 by the amount which is being used for tobacco inspection in 1936.

WORK UNDER THIS APPROPRIATION

General. -- The inspection and grading services of the Bureau cover fruits and vegetables (including canned fruits and vegetables), dairy and poultry products, meats, hay, beans, seeds, rice, peanuts, and other products. This service is permissive in character, the Federal inspector performing the service only at the request of a financially interested party. Certificates are issued which constitute prima facie evidence in the courts of the United States as to the quality and condition of the shipments inspected. These certificates serve as a basis for trading as well as for the settlement of disputes. The work under the entire appropriation has been about 75 percent self-supporting, since fees amounting to $305,818 were returned to the Treasury during the past year.

Inspection and Certification of Fruits and Vegetables. -- The work under this project covers the inspection and certification of fresh fruits and vegetables at 48 important receiving markets. A similar inspection service is conducted at shipping points in more than 40 States in cooperation with State agencies. In addition, large quantities of products are inspected for the purchasing departments of the Navy and Marine Corps and other Federal agencies.

Shippers use the service extensively in making f.o.b. sales to distant buyers, who demand standardized products. During the past year 306,441 cars were inspected at shipping points and 53,443 cars at receiving points. Since the passage of the Perishable Agricultural Commodities Act the inspection certificates have increased in value on account of being received as prima facie evidence in hearings resulting from complaints filed under that Act. A very large amount of business is done with the railroads which use the Federal certificates as the basis for the settlement of claims.

The inspection service plays an important part in marketing American fruits in foreign markets. The Export Apple and Pear Act, approved June 10, 1933, requires that, with certain minor exceptions, all shipments of apples and pears in export must be accompanied by a certificate showing that the shipment meets the minimum quality requirements established by the Secretary of Agriculture for exportation of these commodities. The inspection service conducted under this item serves to enforce the Act. The French quarantine, which prohibits the entry into France of apples which are infested with San Jose scale, makes it necessary for shipping point inspectors to examine two percent of the fruit in each lot concerned before it can receive the French sanitary certificate issued by the Bureau of Entomology and Plant Quarantine. Each year the Bureau stations an inspector at Montreal, July 15 to November 10, in order to issue clearance certificates required by the special British Import Act, which forbids the entry of apples not of specified grade.

Branch offices are maintained in the following markets: Albany, N.Y., Atlanta, Ga., Baltimore, Md., Baton Rouge, La., Boston, Mass., Buffalo, N.Y., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio, Columbia, S.C., Columbus, Ohio, Denver, Colo., Detroit, Mich., Fargo, N. Dak., Fort Worth, Tex., Great Lakes, Mich., Harlingen, Tex., Harrisburg, Pa., Hartford, Conn., Houston, Tex., Indianapolis, Ind., Jacksonville, Fla., Kansas City, Mo., Los Angeles, Calif., Memphis, Tenn., Milwaukee, Wis., Minneapolis, Minn., Newark, N.J., New Haven, Conn., New Orleans, La., New York, N.Y., Norfolk, Va., Omaha, Nebr., Orlando,

Fla., Philadelphia, Pa., Pittsburgh, Pa., Portland, Ore., Providence, R.I., Rochester, N.Y., Sacramento, Calif., St. Louis, Mo., Salt Lake City, Utah, San Pedro, Calif., San Diego, Calif., San Francisco, Calif., Seattle, Wash., Springfield, Mass., Tulsa, Okla., Washington, D.C., Wilkes-Barre, Pa., Vallejo, Calif., Yakima, Wash. In addition, inspections were made at shipping points in cooperation with more than 40 States.

Grading and Certification of Canned Fruits and Vegetables. -- The service is of special value to canners who have need of an official determination of quality. It is also used largely by the purchasing agencies of the Government, especially the Veterans' Administration, and by an increasing number of other State and municipal authorities and by commercial dealers. This project grades samples from all lots of canned fruits and vegetables stored by public warehousemen licensed under the United States Warehouse Act as a part of the supervision of warehouses licensed under the Act. The statement of grade on Federal warehouse receipts is particularly important, since the warehouse receipts are used extensively as collateral for loans by cooperative associations of canners and others. An increasing number of retail stores and others are handling products graded under U. S. standards.

Grading and Certification of Dairy and Poultry Products. -- This service consists of the grading of dairy and poultry products in terminal markets and at shipping points for class, grade, quality, and condition; supervision of the inspection of dressed poultry for condition and wholesomeness at canning establishments; and the inspection of live poultry for crop and health condition (cooperative work in New York City). More than 196,000,000 pounds of butter were graded during the past year, as well as large quantities of cheese, eggs, and poultry. In addition, more than 50,000,000 pounds of butter and 6,000,000 pounds of cheese were graded for the Federal Surplus Relief Corporation.

Branch offices are maintained at Boston, Mass., Chicago, Ill., Los Angeles, Calif., Minneapolis, Minn., New York, N.Y., Philadelphia, Pa., Portland, Oreg., San Francisco, Calif., Seattle, Wash., and Washington, D.C.

Inspection and Certification of Hay, Beans, Soybeans, etc. -- This project consists of the maintenance of an inspection and grading service and the supervision of licensed inspectors under cooperative agreements with State and other agencies. The service includes the verification of dealers' records on seed in order that certificates may be issued showing the State of origin. This service makes it possible for farmers to obtain seed which is adapted to their section of the country. Inspection work on beans, soybeans, and dry peas has grown rapidly.

Branch offices are maintained at Atlanta, Ga., Chicago, Ill., Denver, Colo., Kansas City, Mo., Los Angeles, Calif., Minneapolis, Minn., Portland, Oreg., and San Francisco, Calif.

Grading and Certification of Meats. -- The meat-grading service is available to commercial interests and to purchasing officers for Federal, State, and city institutions at points where graders are maintained. In addition, a specialized type of service is rendered at slaughtering and packing establishments by which beef and lamb carcasses are graded and stamped with a roller stamp in such a manner that the grade appears on the retail cuts.

Through this service National standards for various classes of meats are being developed. The use of these standards as a basis for buying and selling is increasing. Contracts by Federal, State, and municipal institutions are being awarded on the basis of Federal grades. The service prevents the possibility of substitution and insures a reasonably high degree of uniformity in most purchases. The grade stamp on the meat is therefore of value to consumers because it insures delivery of meats of a definite quality. There is a rapidly growing demand on the part of consumers for Federally-graded meats.

Branch offices are maintained at Albany, N.Y., Buffalo, N.Y., Boston, Mass., Chicago, Ill., Cleveland, Ohio, Detroit, Mich., Kansas City, Mo., National Stockyards, Ill., New York, N.Y., Omaha, Nebr., Philadlphia, Pa., Phoenix, Ariz., San Francisco, Calif., Seattle, Wash., Sioux City, Iowa, and Wichita, Kans.

Inspection and Certification of Tobacco. -- This project is being dropped in 1937. (See new item "Tobacco Inspection Act".)

Inspection and Certification of Rice. -- This work is conducted under joint agreements between this Bureau and State departments of agriculture in California, Texas, and Louisiana and commercial interests in Arkansas and covers rough, brown, and milled rice. Under these agreements the initial inspections are made by State officials under the supervision of the Bureau. Appeals from initial inspections are handled by the Bureau direct.

The grade certificates covering inspections of rough rice that are issued to the producers at the time they offer their rice for sale on the market give a definite indication of the milling value of the rice, and this makes it possible for the producers to demand and receive the full market price for their rice based on its utility and market value. The grade certificates covering milled rice are of special importance in connection with export transactions in that the certificates facilitate the exportation of the surplus rice.

(g) TOBACCO INSPECTION ACT

Appropriation Act, 1936. . . .	- - -
Budget Estimate, 1937	$250,000
Increase.	250,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Tobacco Inspection Act.....	- - -	- - -	$250,000	+$250,000(1)

(1) This new item of $250,000 is requested for the purpose of carrying into effect the provisions of The Tobacco Inspection Act approved August 23, 1935. The $250,000 is offset to some extent by the discontinuance of somewhat similar work carried in 1936 under other appropriations of the Bureau. An item of $52,670 is being dropped in 1937 from the appropriation "Market Inspection of

Farm Products" and $14,435 from "Market News Service." The net result is an actual increase of $182,895 in funds for the tobacco work.

WORK UNDER THIS APPROPRIATION

The Tobacco Inspection Act was approved August 23, 1935. The first main objective of the Act is to furnish tobacco growers with dependable information as to the quality of their tobacco according to uniform standards. The second principal objective is to supply growers with market reports showing prices paid for the different grades. The Act authorizes the Secretary of Agriculture to establish standards for tobacco by which its type, grade, size, condition, or other characteristics may be determined, and the standards so established are the official standards of the United States for such purpose.

The Act further authorizes the Secretary of Agriculture to designate auction markets upon which the tobacco bought and sold moves in interstate and foreign commerce. After public notice of not less than 30 days, no tobacco shall be offered for sale at auction at a designated market until it shall have been inspected and certified according to the Government standards by an authorized representative of this Department. This feature of the inspection service will be applicable only upon the tobacco offered for sale at auction and is intended to provide growers with an official determination of the grade of their tobacco before it is sold by them. The designation of an auction market for inspection purposes must be preceded by a referendum and favored by two-thirds of the growers voting in such referendum. The Act provides that the cost of the inspection at designated markets and the market news service shall be borne by the Government.

Section 9 of the Act provides for a market news service primarily for the benefit of growers, in order that they may be daily informed of the price at which the various qualities of tobacco are being sold. Reliable market reports, based upon actual sales, have been found to be a valuable adjunct to an official inspection service. With the grade of his tobacco, as determined by a financially disinterested representative of this Department, and an official market report showing the prices being paid for the different grades, the grower is in position to decide whether to accept or reject the price offered for his tobacco.

Section 10 of the Act provides needed safeguards around the use of the official standards and the inspection service and provides penalties for various abuses.

(h) MARKET NEWS SERVICE

Appropriation Act, 1936. . . .	$1,076,492
Budget Estimate, 1937.	1,062,057
Decrease	14,435

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Decrease
Obligated:				
Market news service on livestock, meats, and wool.	$411,054	$421,389	$421,389	- - -
Market news service on fruits and vegetables.....	412,517	427,673	427,673	- - -
Market news service on dairy and poultry products.	129,557	139,138	139,138	- - -
Market news service on grain, hay, feed, and seed.	71,497	73,857	73,857	- - -
Market news service on tobacco.....	14,687	14,435	- - -	- 14,435 (1)
Total obligations.....	1,039,312	1,076,492	1,062,057	- 14,435 (1)
Unobligated:				
Savings.....	6,964	- - -	- - -	- - -
Total.....	1,046,276	1,076,492	1,062,057	- 14,435 (1)

(1) There is a decrease of $14,435 under this appropriation due to the proposed discontinuance of the project "Market News Service on Tobacco." The Tobacco Inspection Act approved August 23, 1935 makes provision for a market news service on tobacco. Since the work under this specific Act will supersede the service now being rendered on tobacco under the provisions of the appropriation for "Market News Service", it is proposed to decrease this appropriation in 1937 by the amount which is being used for the tobacco news service in 1936.

WORK UNDER THIS APPROPRIATION

General.--The market news service covers livestock, meats, and wool, fruits and vegetables, dairy and poultry products, grain, hay, feed, seed, and other products. The service is built largely upon information gathered by the Bureau's representatives in large central markets. Offices in the large terminal markets must be maintained in order to gather the information to be distributed to the shipping districts. These markets are connected with leased telegraph wires. The Bureau obtains under contract the exclusive use of certain telegraph wires

throughout the day and employs its own telegraphers who transmit the market information over the wires in code and decode the incoming messages. The market reporters are in the markets early in the morning and report receipts and prices. The information goes over the leased wire to Washington and to other branch offices where it is combined with other reports and released to the public. In addition, telegraph and mail reports are furnished the Bureau by common carriers and other reporters, and information with regard to supply and demand conditions in foreign countries is made available through the foreign service of the Bureau. This market information is given publicity throughout the country, especially in important producing districts by telegraph, telephone, radio, mail, bulletin boards, newspapers, and other means. There is a steadily increasing demand for current market information from producers, associations, and trade interests.

Market News Service on Livestock, Meats, and Wool.--Branch offices are now maintained in 26 cities. Market conditions and prices are reported covering 25 public livestock markets, direct marketing of hogs in Iowa and southern Minnesota, direct and contract sales of sheep and lambs in the western range and Pacific coast States, 5 of the largest wholesale meat marketing centers and the Boston wool market. In addition, information is furnished several State departments for dissemination by radio and otherwise. The information is distributed by the Bureau's leased wire telegraph system, by radio, press associations, commercial telegraph companies, news trade and agricultural publications, boards of trade, telephone, bulletin boards, and by mail. All market reports are based upon the Bureau's standardized class and grade system.

Branch offices are maintained at Baltimore, Md., Boston, Mass., Buffalo, N. Y.*, Casper, Wyo.*, Chicago, Ill., Cincinnati, Ohio, Denver, Colo., Des Moines, Ia., Fort Worth, Tex., Indianapolis, Ind., Kansas City, Mo., Los Angeles, Calif.*, Louisville, Ky.*, Nashville, Tenn., National Stockyards, Ill., New York, N. Y., Ogden, Utah, Oklahoma City, Okla., Omaha, Nebr., Philadelphia, Pa., Pittsburgh, Pa., Portland, Oreg., St. Joseph, Mo., St. Paul, Minn., San Francisco, Calif., Sioux City, Ia., and Wichita, Kans.
(* Not connected with leased telegraph system.)

Market News Service on Fruits and Vegetables.--Permanent branch offices are maintained in 21 markets and, in addition, 42 field offices are in operation for varying periods. This project gathers daily information relative to receipts, unloads, market prices, and demand for fruits and vegetables in the principal markets and shipping sections of the country, also reports from the common carriers on carlot shipments, diversions, and passings. This information is gathered and distributed through the use of the Bureau's leased telegraph system and by commercial telegraph, mail, and other means. The information helps to bring about more orderly marketing of these products, eliminates waste and loss by keeping shippers informed of market demands, and helps to bring more equitable returns to growers. Reports are prepared summarizing the marketing of individual crops in producing sections from which daily market information has been released. Special reports showing unloads of more than 800,000 cars of fruits and vegetables in a large number of markets were issued during the past year, as well as various reviews and summaries relative to the marketing of these commodities.

Branch offices are maintained at Atlanta, Ga., Baltimore, Md., Boston, Mass., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio*, Denver, Colo., Detroit, Mich.*, Fort Worth, Tex., Kansas City, Mo., Los Angeles, Calif.*, Minneapolis, Minn., New Orleans, La.*, New York, N. Y., Philadelphia, Pa., Pittsburgh, Pa., Portland, Oreg., St. Louis, Mo., San Francisco, Calif., and Seattle, Wash. In addition, many branch offices are operated for short periods during the heavy movement of important crops and information is furnished to State offices for dissemination.

(*Not connected with leased telegraph system).

Market News Service on Dairy and Poultry Products.--This project gathers and disseminates current market information with reference to production, manufactures, shipment, receipts, movement, prices, etc. on various classes of dairy and poultry products. Offices are maintained in 8 large terminal markets for the purpose of gathering information on market conditions. This information is disseminated throughout the country over the Bureau's leased telegraph wire system and by mail, radio and other means to persons and firms who use it in planning their production and marketing programs. The statistical information which is compiled and issued by the service is of fundamental importance to the dairy and poultry industries.

Branch offices are maintained at Boston, Mass., Chicago, Ill., Los Angeles, Calif.*, New York, N. Y., Philadelphia, Pa., Portland, Oreg., San Francisco, Calif., and Seattle, Wash.

(*Not connected with leased telegraph system).

Market News Service on Grain, Hay, Feed, and Seed.--This project furnishes to growers, country dealers, and others information relative to market developments, supply and demand conditions, and other factors influencing prices or the market situation for grain, hay, feed, and seed. The information collected from all available sources is analyzed and incorporated in market reviews which are issued at regular intervals and distributed to growers and other agricultural interests.

Branch offices are maintained at Atlanta, Ga., Chicago, Ill., Kansas City, Mo., Los Angeles, Calif.*, Minneapolis, Minn., Portland, Oreg., and San Francisco, Calif.

(*Not connected with leased telegraph system).

Market News Service on Tobacco.--This project will be dropped in 1937, the work being superseded by the activities under the Tobacco Inspection Act.

(i) PERISHABLE AGRICULTURAL COMMODITIES ACT

Appropriation Act, 1936	$131,466
Budget Estimate, 1937	137,666
Increase	6,200

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Perishable Agricultural Commodities Act	$123,280	$131,466	$137,666	+ $6,200 (1)
Unobligated:				
Savings	3,901	- - -	- - -	- - -
Total	127,181	131,466	137,666	+ 6,200 (1)

(1) There is an apparent increase of $6,200, but due to the transfer of one position at $3,800 to the Office of the Solicitor, with a corresponding increase in that unit, the actual increase in working funds is $10,000. This increase is requested to enable the Bureau to employ two additional field men who will devote their time to checking up unlicensed commission merchants, dealers, and brokers, (particularly truckers) in order to secure compliance with the law. One additional clerk will be provided also to care for the increasing correspondence in connection with reports relative to failure of commission men to obtain licenses. The receipts under this project have been larger than the expenditures each year since the inauguration of the work.

WORK UNDER THIS APPROPRIATION

The work under this project consists of the administration of the provisions of the Act approved June 10, 1930(U.S.C. Supp. VII, title 7, secs. 551-568) to suppress unfair and fraudulent practices in the marketing of fresh fruits and fresh vegetables in interstate and foreign commerce. This Act requires the licensing of all commission merchants, dealers, and brokers, with a few exceptions, and gives the Secretary authority to award reparations and to suspend or revoke the licenses of those who are found to have engaged in certain specified unfair and fraudulent practices in the marketing of these commodities. License fees of $10 per annum are charged, and the receipts have exceeded the expenditures each year. Receipts for the past year amounted to $147,582. There were 15,697 licenses in effect at the end of the past fiscal year, as compared with 15,580 at the beginning of the year.

A total of 2,655 complaints were filed, compared to a total of 2,522 complaints during the previous year. Amicable settlements were effected through informal correspondence in 33 percent of the complaints filed, this being an increase over the proportion of 28 percent last year. The Bureau has record of the payment of $172,196 to complainants as a result of amicable

settlements since April 1934, when the Act was amended. The Secretary rendered 308 decisions during the year, and 39 licenses were suspended as the result of failure to pay reparations.

Fifteen amendments to this Act became effective on April 13, 1934. These changes broaden the Act to include any fraudulent statement in connection with a transaction, direct the Secretary to refuse to issue licenses under certain conditions, authorize the Secretary to revoke the license of any firm which employs one whose license has been revoked, to withhold issuance of a license if he believes the application contains false statements, and to revoke a license if he finds it was obtained through a false statement. They provide for the decision of complaints without formal hearing where the amount of damages does not exceed $500 and permit suit on reparation orders to be brought in the United States district court of the district in which the complainant lives, providing for appeal from Secretary's orders to the United States district court and for the automatic suspension of a license upon failure of a licensee to pay a reparation order or take an appeal within the period described.

(j) STANDARD CONTAINER, HAMPER, AND PRODUCE AGENCY ACTS

Appropriation Act, 1936.	$30,238
Budget Estimate, 1937	30,238

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Enforcement of the Standard Container Acts	$17,717	$21,138	$21,138
Enforcement of the Produce Agency Act	8,375	9,100	9,100
Total obligations	26,092	30,238	30,238
Unobligated:			
Savings	2,943	- - -	- - -
Total	29,035	30,238	30,238

CHANGE IN LANGUAGE

The following language has been deleted:

> "including the purchase of such perishable farm products as may be necessary for detection of violations of the latter Act: Provided, That all receipts from the sale of such products shall be credited to this appropriation, and shall be re-expendable therefrom, and"

This authority is not included in the Produce Agency Act but was inserted in the appropriation act to meet a possible need. It has not been found necessary to purchase produce for this purpose, consequently it is recommended that the language be stricken out.

WORK UNDER THIS APPROPRIATION

General. -- Three Acts are administered under this appropriation, i.e., the Standard Container Act of 1916, the Standard Container Act of 1928 (Hamper Act), and the Produce Agency Act (Acts of August 31, 1916, U.S.C., title 15, secs. 251-256; May 21, 1928, U.S.C., Supp. VII, title 15, secs. 257-257i; and U.S.C., Supp. VII, title 7, secs. 491-497).

Enforcement of the Standard Container Acts. -- The work under this project consists of the administration of the provisions of the two standard container Acts. These Acts fix the sizes for Climax baskets, containers for small fruits and vegetables, standard hampers, and round stave and splint baskets. The enforcement of these Acts involves the testing of samples of these containers in order to determine whether they comply with prescribed standards, the collection of evidence, and the preparation, for submission to the Department of Justice, of cases against those who fail to comply with the provisions of the Act.

Enforcement of the Produce Agency Act. -- The work under this project consists of the administration of provisions of the Act entitled "An Act to prevent the destruction or dumping, without good and sufficient cause therefore, of farm produce received in interstate commerce by commission merchants and others and to require them truly and correctly to account for all farm produce received by them." This is a criminal statute providing fine or imprisonment for the fraudulent or dishonest handling of produce by a commission agency.

Under the Produce Agency Act, 69 complaints were filed during the past year. These related entirely to failure to make proper return or fraudulent accounting. Convictions in Federal courts were obtained on 2 cases, and a number of cases were pending at the close of the year. Violations of this Act are also violations of the Perishable Agricultural Commodities Act in so far as they relate to shipments of fresh fruits and vegetables and are handled under the latter Act, except in cases in which criminal prosecution seems appropriate.

(k) TOBACCO STOCKS AND STANDARDS

Appropriation Act, 1936. . . . . $17,187
Budget Estimate, 1937 17,187

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Tobacco stocks and standards.....	$16,635	$17,187	$17,187
Unobligated:			
Savings.....	7	- - -	- - -
Total.....	16,642	17,187	17,187

WORK UNDER THIS APPROPRIATION

The work under this appropriation consists of the compilation and publication of quarterly reports covering the quantities of leaf tobacco in the hands of dealers and manufacturers separated as to type and as to certain divisions within the type. They are published as of the first day of January, April, July, and October and represent the comparison of statistics of supplies held by dealers and manufacturers, the submission of which is mandatory. The work was provided for by Act approved January 14, 1929 (U.S.C., Supp. VII, title 7, secs. 501-508); and amended August 27, 1935 (49 Stat., 893).

Tobacco stocks have an important bearing on prices paid to growers for new stock tobacco, and an accurate and detailed analysis of such stock is essential to protection of the growers' interests. The reports form the basis of studies relating to the prospective market position of different types of tobacco conducted on behalf of growers by State and Federal agencies. Trade journals give their reports prominence in their publications.

(1) COTTON GRADE AND STAPLE STATISTICS

Appropriation Act, 1936. . . . . $224,517
Budget Estimate, 1937. 224,517

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Cotton grade and staple statistics...	$218,050	$224,517	$224,517
Unobligated:			
Savings.....	9	- - -	- - -
Total.....	218,059	224,517	224,517

WORK UNDER THIS APPROPRIATION

The work under this appropriation is required by the Act approved March 3, 1927 (U.S.C., Supp. VII, title 7, secs. 471-476). The project gathers information and prepares estimates periodically concerning the grade and staple of cotton ginned at stated intervals from the crop, the number of bales of each grade and staple carried over from one season to another, and the grade and staple of cotton consumed by domestic mills. Four national reports and 4 reports for each of the 16 important cotton-producing States, besides weekly reports, individual gin reports and a variety of special reports are regularly issued during the ginning season. The carry-over and consumption reports are issued on a national basis once annually.

There has been an increasing demand for the report. It appears evident, too, that these reports have contributed to the movement to bring about improvement in the grade and staple length of cotton produced. The Bureau supplies to each cooperating ginner a summarized statement of the grades and staples ginned by him during the season. In response to ginners' and growers' requests for more detailed information, this service has been further developed by sending to the gins, as soon as the samples are classed, copies of classification sheets on which the periodical reports are based, but without identification of the bales to which the data applied.

It was also urged by cotton producers that the service would be more useful to growers if numbers identifying each individual bale classed could be furnished along with the grade and staple information. At the beginning of the 1933-34 season, therefore, through a cooperative arrangement with the ginners, each ginner agreed to furnish samples without cost other than transportation, and the Bureau agreed to furnish the desired information regarding each bale. More than 768,000 samples were classed during the past year, and growers were notified of the class of each bale through the cooperating ginners.

Branch offices are maintained at Atlanta, Ga., Dallas, El Paso, and Austin Tex., and Memphis, Tenn.

(m) U. S. COTTON FUTURES AND U. S. COTTON STANDARDS ACTS

Appropriation Act, 1936.	$ 477,111
Second Deficiency Act, 1935	10,000 (a)
Total, 1936.	487,111
Budget Estimate, 1937	487,111

(a) For expansion of market information service through establishment of an office in Texas.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Futures and spot market investigations and cotton price quotations.....	$ 51,301	$ 61,920	$ 61,920
Preparation and distribution of official cotton standards.....	121,582	120,186	120,186
Classing spot cotton, etc., under Cotton Standards Act.....	69,372	80,000	80,000
Supervision of licensed classers.....	66,001	74,080	74,080
Classification of cotton (Cotton Futures Act).....	92,972	150,925	150,925
Total obligations.....	401,228	487,111	487,111
Unobligated:			
Savings.....	388	- - -	- - -
Total.....	401,616	487,111	487,111

WORK UNDER THIS APPROPRIATION

General:--The Cotton Futures Act provides for the establishment by the Department of Agriculture of standards for the qualities of cotton; determination of the grade and staple of cotton delivered in settlement of futures contracts; supervision of the quotations of commercial differences in spot markets designated under the Act; and dissemination of information as to market prices and conditions. This Act was approved August 11, 1916 and amended March 4, 1919 (U.S.C., title 26, secs. 731-752).

The Cotton Standards Act requires the use of the official cotton standards in all interstate and foreign commerce transactions involving American cotton shipped by grade. It gives owners or holders of cotton the privilege of submitting cotton to representatives of the Department for classing and authorizes the Secretary to examine and license cotton classers. In the administration of the legislation agreements have been negotiated with the principal foreign cotton

trade associations providing for the world-wide use of the cotton standards. This Act was approved March 4, 1923 (U.S.C., title 7, secs. 51-65).

Receipts under the two Acts for the past year amounted to $81,642. When the revolving fund accounts were closed under the Permanent Appropriation Repeal Act of June 26, 1934 a balance of $213,522 was deposited in the Treasury to the credit of miscellaneous receipts.

Futures and Spot Market Investigations and Cotton Price Quotations.--Prices on grades of cotton above and below Middling and on staple longer than 7/8-inch as quoted in ten principal spot markets of the United States designated for the purpose by the Secretary of Agriculture are required, under the U.S. Cotton Futures Act, to be used in the settlement of futures contracts whenever settlement is effected by delivery of cotton. The proper functioning of the cotton futures market necessitates that the price quotations of the designated spot markets shall reflect values of spot cotton of various grades and staples as indicated by actual sales. Active supervision of quotations in the spot markets, therefore, is essential. Information is disseminated widely among producers concerning the value of cotton of the different qualities.

The Cotton Belt has been divided for the purpose into three districts, with headquarters at Atlanta, Ga., Memphis, Tenn., and Dallas, Tex. These districts were formed and headquarters selected with reference to the natural movement of cotton. A weekly Cotton Review is prepared at Washington which is based on information assembled at Washington from field offices, reviewed carefully, and the more vital features embodied. The review is telegraphed to the field offices, mimeographed, and furnished to a mailing list, as well as to news organs and to broadcasting stations for dissemination. In addition to the review, there is prepared at each of the three field offices a premium staple cotton report which covers the prevailing premiums and discounts for cotton above and below 7/8-inch, including the lengths 3/4-inch up to 1-1/4 inches. There is also prepared in Atlanta a daily report giving the Middling 7/8-inch quotation in the ten designated markets, as well as grade and staple premiums prevailing in such markets.

Preparation and Distribution of Official Cotton Standards.--The official standards are prepared and promulgated under the authority of both Acts. Copies of the standards are sold to the public. Inasmuch as the law makes the use of these standards mandatory in interstate and foreign commerce and prohibits the duplicating of the standards or the use of private types in evasion of or substitution for the standards, domestic and world commerce in American cotton is made dependent upon the prompt and proper performance of this work. A total of 2,214 boxes of the standards for grade and 6,953 of the staple types were prepared during the past year.

Classing Spot Cotton, etc., under Cotton Standards Act.--Under the Cotton Standards Act any person who has a financial interest in any cotton may submit a sample of the same to the Department for classification, and the various boards of cotton examiners are authorized to perform this service in addition to classification under the Cotton Futures Act. Under this project classers are examined and licensed to classify cotton.

Supervision of Licensed Classers.--The classing of spot cotton in the field is supervised by the Board of Cotton Examiners, with headquarters at Memphis, Tenn., and local supervisors are stationed at Atlanta, Ga., Oklahoma City, Okla., and Dallas, Abilene, and Lubbock, Tex. An important feature of this work is the supervision of licensed cotton classers, who number more than 200 and are stationed throughout the South. The cooperative cotton marketing associations rely upon the licensed classers and upon the supervision of their work in establishing the classification upon which settlements with their members are based. An amendment passed by the last Congress provides that the Secretary of Agriculture shall extend to cotton growers additional facilities for the classification of cotton, and every effort is being made to meet these demands.

Classification of Cotton (Cotton Futures Act).--An amendment to the Cotton Futures Act, dated March 4, 1919, provides that all cotton intended for delivery on futures contracts shall be classified by officers of the Department of Agriculture. Boards of Cotton Examiners are maintained in New York, New Orleans, Houston and Galveston, also at Charleston, Savannah, and Mobile part of the time, for southern deliveries on New York contracts.

(n) U. S. GRAIN STANDARDS ACT

Appropriation, 1936	$708,941
Budget Estimate, 1937	723,941
Increase	15,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Supervision of grain inspection	$629,102	$660,991	$675,991	+$15,000 (1)
Checking inspection efficiency of licensed inspectors	16,495	19,050	19,050	- - -
Board of Review for deciding appeals	28,000	28,900	28,900	- - -
Total obligations	673,597	708,941	723,941	+ 15,000 (1)
Unobligated:				
Savings	7,481	- - -	- - -	- - -
Total	681,078	708,941	723,941	+ 15,000 (1)

(1) An increase of $15,000 in the project "Supervision of Grain Inspection" for the purpose of replacing worn-out equipment, increasing the travel allowance, and for other expenditures necessary to maintain an efficient service.

The funds for this work were decreased in 1934 by more than $100,000 below the appropriation for the year 1932, and no increase in working funds has been granted since that time. Because of the drastic curtailment of funds, the Bureau has not had sufficient funds for travel. This has made it necessary to reduce the amount of travel by administrative officers of the Washington, Chicago, and Portland headquarters, as well as the district supervisors, to a point where it has been entirely inadequate to maintain proper supervision over the licensed inspectors or proper contacts with the public and the grain industry. The grain crops of the past two years have been of exceptionally high quality, and no great difficulties have been encountered by inspectors. Difficulty is being encontered, however, during the current year in meeting special problems brought about by crop damage. It has been necessary to postpone the replacement of equipment and to such an extent that the service is being seriously handicapped. With the increase it is expected to begin replacement of worn-out and obsolete equipment.

WORK UNDER THIS APPROPRIATION

General. -- The Grain Standards Act, approved August 11, 1916 (U.S.C., title 7, secs. 71-87), authorizes and directs the Secretary of Agriculture to perform substantially four services as follows: (1) To establish official standards for grain; (2) to license inspectors to apply the official standards; (3) to supervise the work of such licensed inspectors in order that there will be a correct and uniform application of the standards, and to entertain appeals from grades assigned by such inspectors in cases where a party to a grain transaction is dissatisfied with the grade originally assigned by the licensed inspector; and (4) to conduct hearings and publish his findings in certain cases of interstate grain movement and transactions. This authority goes far toward facilitating the orderly marketing of grain and preventing fraud and misrepresentation.

Supervision of Grain Inspection. -- Official standards have been promulgated for corn, wheat, oats, rye, grain sorghums, feed oats, mixed feed oats, barley, mixed grain, and flaxseed. These standards are in general use throughout the United States and in export commerce and must be used when grain is shipped by grade in interstate commerce. They form the basis of transactions in the various steps from the producer to the consumer. These steps include the country elevator, the interior market, the terminal market, and the distribution to consuming industries in this country as well as to seaboard markets for export. The standards are employed in both cash and future transactions. Since the grain industry is highly competitive, it is very necessary that the inspection service should be efficient and dependable. Grain inspectors and grain supervisors stand as impartial and unbiased arbiters between sellers and buyers, and the use of this service has been so well established that it forms a basic feature of the highly organized merchandising practices in both domestic and export commerce.

Checking Inspection Efficiency of Licensed Inspectors. -- This project covers the work of maintaining correct and uniform application of the standards by licensed inspectors at all markets throughout the United States. Tendencies on the part of inspectors which depart from uniform application of the standards are noted and are called to the inspector's attention. Inspectors' licenses may be suspended or cancelled on evidence of incompetence or dishonesty.

Uniformity of application of the standards to shipments which move from one inspection point to another presents a most difficult task requiring constant attention from supervisory officials in order that all branches of the industry may be on the same competitive basis from the standpoint of grades.

Board of Review for Deciding Appeals. -- Boards of review are located in Chicago and Portland, Oreg. These boards interpret the standards, develop correct methods of application, and disseminate information through the supervisors to the licensed inspectors throughout the country. Certain factors of the standards are applied by mechanical apparatus, whereas others involve the human element in the exercise of judgment and discretion. These boards are constantly engaged in reviewing samples submitted from all sections of the country and giving its interpretative opinions. New problems from a grading standpoint are constantly arising and the board is the agency which makes the final decisions. In addition, they function as boards of appeals in the case of inspections performed by licensed inspectors, appealed to district supervisors and thereafter carried to board appeal.

Receipts amounting to $50,867 were returned to the Federal Treasury under the Grain Standards Act during the past year.

Branch offices were maintained in Albany, N.Y., Baltimore, Md., Boston, Mass., Buffalo, N.Y., Cairo, Ill., Cedar Rapids, Iowa, Chicago, Ill. (Field and district headquarters), Cincinnati, Ohio, Denver, Colo., Duluth, Minn., Enid, Okla., Fort Worth and Galveston, Tex., Great Falls, Mont., Hoboken, N.J. (substation), Hutchinson, Kans., Indianapolis, Ind., Kansas City, Mo., Los Angeles, Calif., Louisville, Ky., Memphis, Tenn., Milwaukee, Wis., Minneapolis, Minn., Nashville, Tenn., New Orleans, La., New York City, N.Y., Ogden, Utah, Oklahoma City, Okla., Omaha, Nebr., Peoria, Ill., Philadelphia, Pa., Portland, Oreg. (field and district headquarters), St. Joseph and St. Louis, Mo., San Francisco, Calif., Seattle, Wash., Sioux City, Iowa, South Chicago, Ill. (substation), Spokane, Wash., Tacoma, Wash., Toledo, Ohio, Vancouver, Wash., and Wichita, Kans.

(o) U.S. WAREHOUSE ACT

Appropriation Act, 1936.....	$316,665
Budget Estimate, 1937.....	326,665
Increase.....	10,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Administration U.S. Warehouse Act.....	$275,985	$316,665	$326,665	+ $10,000(1)
Unobligated:				
Savings.....	7,463	- - -	- - -	- - -
Total.....	283,448	316,665	326,665	+ 10,000(1)

(1) An increase of $10,000 in the project "Administration of the U.S. Warehouse Act" for the expansion of work of inspecting and licensing warehouses for grain and cotton.

In the grain areas of the Middle West, the Bureau has not been able to respond to all of the applications for licenses, and the demand is constantly growing. In view of the various Government agencies engaged in the financing of agricultural products and their general desire for the Federal Warehouse receipt as collateral to their loans, the Bureau has tried as far as possible to meet the demand. A number of these agencies prefer the Federal warehouse receipt exclusively, but they recognized that this Bureau did not have the force or the funds to license all applicants and therefore they have accepted other forms of warehouse receipts than that issued under the Federal Warehouse Act. In addition to the direct Governmental and semi-Governmental loaning agencies, a great many commercial bankers have indicated that the general use of the Federal warehouse receipt would simplify their loaning operations very materially. The increase requested will enable the Bureau to meet some of the more urgent demands for licenses. The Bureau has not been able to maintain its scheduled number of examinations at all warehouses in the cotton area and has been obliged to refuse applications. It is highly desirable to maintain the high standard of the service. Additional money is needed for personnel travel and equipment in meeting the demands for service.

WORK UNDER THIS APPROPRIATION

This work is authorized by the Act approved August 11, 1916 (U.S.C. title 7, secs. 241-273). Warehouses are now licensed for the storage of cotton, grain, wool, tobacco, nuts, broomcorn, dry beans, sirups, dried fruit, canned foods, cold pack fruit, seeds, and cherries in brine. Before a product is added to the list of commodities which may be stored in a licensed warehouse investigational work is conducted to determine whether such product can properly be warehoused under the Warehouse Act. Regulations are then prepared covering the conditions under which it may be stored. When an application is received for a license, investigations are made to ascertain whether the warehouse is a suitable structure and has the necessary facilities and whether the warehouseman is of good repute and has the proper financial responsibility, experience, etc. After the license is issued the warehouse is inspected regularly in order to make certain that the law and regulations are being complied with andthat the interests of the patrons are being safeguarded. The work under the Warehouse Act has been increasing each year. Cooperative associations, distributors, and others are insisting that their products be stored in Federally licensed warehouses, since the receipts from such warehouses provide much needed collateral for loans. The demands for the work have been so great that it has not been possible to meet all requests for licenses.

Fees amounting to $19,780 were returned to the Federal Treasury during the past year.

Branch offices are maintained in Atlanta, Ga., Dallas, Tex., Indianapolis, Ind., Memphis, Tenn., New Orleans, La., Omaha, Nebr., Portland, Oreg., Raleigh, N.C., and Wichita, Kans.

(p) ESTABLISHING WOOL STANDARDS

Appropriation Act, 1936.....	$27,652
Budget Estimate, 1937.....	26,652
Decrease.....	1,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Decrease
Obligated:				
Establishing wool standards	$25,453	$27,652	$26,652	- $1,000 (1)
Unobligated:				
Savings.....	1,210	- - -	- - -	- - -
Total.....	26,663	27,652	26,652	- 1,000 (1)

(1) There is a decrease of $1,000 in this appropriation. This will be met by curtailing expenses.

WORK UNDER THIS APPROPRIATION

The work under this appropriation was authorized by the Act of May 17, 1928 (U.S.C., Supp. VII, title 7, secs. 415b-415d). This appropriation covers marketing investigations relating to methods and practices in preparation, handling, tying, packing, and shipping of wool. Standards are prepared and their use explained and demonstrated. Wool scouring and shrinkage investigations are conducted, and various problems connected with the handling and marketing of wool are studied.

The Bureau prepares information on the proper methods and practices in preparing, grading, handling, and storing wool. Investigations in various phases of marketing show that preventable faults in wool handling result in heavy losses annually to the wool industry. These include the use of insoluble branding fluids in marking fleeces and of improper twines in tying, as well as lack of care in preparing and handling the fleeces. Investigational work to determine means of correction and educational work to eliminate the objectionable practices are in progress.

Specialists of the Bureau attend educational meetings and demonstrate proper methods of wool handling and marketing. Practical forms of the official wool standards are prepared by the Bureau and sold to those requesting them. These standards are also the authority for grade in the present Tariff Act and in many Government specifications for wool materials. Further investigational work in standardization is in progress, as well as technological studies on physical characteristics of the fiber in relation to grade and utilization of wool. Work is being carried on also in cooperation with a number of States on the shrinkage and other problems relating to wool.

Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
Agricultural Adjustment Administration (Salaries and Expenses): Transferred to Bureau of Agricultural Economics for statistical work and other services in connection with agricultural adjustment programs as follows:		
Preparing estimates and forecasts of production necessary for the proper operation of marketing agreements covering various crops	$ 31,728	$ 74,100
Statistical work for the Dairy Section of A.A.A.	128	---
Operating a rice grading office and laboratory at Stuttgart, Ark.	1,232	---
Gathering, compiling, and analyzing data in connection with the rice program	301	---
Securing in San Francisco detailed carlot shipment information in connection with supervision of fresh fruit marketing agreements	190	1,420
Supervising the operation of the citrus marketing agreement in Orlando, Fla.	1,763	---
Revising monthly estimates of prices received by farmers for fluid milk	8,031	7,430
Making studies of the economic effects and possibilities of marketing agreements	3,731	---
Supervision of the operation of the fresh fruit and vegetable marketing agreements in Orlando, Fla.	1,202	308
Assisting in investigations relating to meteorological factors affecting crop yields	1,727	6,320
Conducting a study of adjustments in farming, by regions and type-of-farming areas	67,520	79,000
Assisting in developing the rye program of A.A.A.	---	5,799
Total, Salaries and Expenses, A.A.A.	117,553	(a)174,377

(a) Same total allotment estimated for 1937, but definite projects can not be shown before the 1937 program is planned.

Projects	Obligated, 1935	Estimated obligations, 1936
Agricultural Adjustment Administration (Advances to A.A.A.): Transferred to Bureau of Agricultural Economics for statistical work and other services in connection with agricultural adjustment programs, as follows:		
Collecting statistics and information necessary in checking State and county figures, payments, etc., in the cotton control campaign.....	$ 7,078	---
Preparing county estimates of corn acreage and production, hog numbers, and quantity production of hogs for slaughter (the object of this service being to check the accuracy of the corn-hog reduction contracts).....	124,061	---
Preparing, under direction of the State Corn-Hog Review Board, tabulation analysis of the contracts offered during the corn-hog campaign and the work sheets prepared by non-signers; assisting farmers in furnishing data required by the contract.....	479,912	305,471
Gathering information regarding the effect of the direct marketing of hogs on hog prices, for use in working out plans for administering the A.A.A.....	11,746	---
Preparing, for checking purposes, county estimates of cotton acreage, yield, and production *** to provide the State and county committees conducting the cotton reduction campaign with accurate data on which to base allotments.....	20,403	38,616
Organizing and supervising the weighing of unsold crops of cigar-leaf tobacco under acreage reduction contracts.....	451	---
Assisting the Sugar Section of A.A.A. in formulating labor policies under the Jones-Costigan amendments to A.A.A.....	2,880	---
Grading cheese and butter purchased by the A.A.A. for disposal through the Federal Emergency Relief Administration.....	2,745	---
Working on contracts in the Burley tobacco production section.....	998	---
Gathering, compiling, and analyzing data in connection with the hog and corn adjustment program and assisting in formulating plans for price and production adjustments for corn and hogs.....	1,092	---

Projects	Obligated, 1935	Estimated obligations, 1936
Agricultural Adjustment Administration (Advances to A.A.A.)--Continued		
Working on the economic and statistical phases of the 1934 cotton acreage reduction program; developing detailed statistical procedure for handling contracts and determining allotments.....	$ 854	---
Gathering, compiling, and analyzing data in connection with the tobacco program....	1,299	---
Preparing economic and statistical material in connection with the wheat program.....	55	---
Weighing and appraising unsold crops of fire-cured tobacco.....	105	---
Working in connection with the 1935 corn-hog program.....	1,330	---
Work relating to rules, regulations, and administrative problems in connection with County Wheat Production Control Associations and regional offices.....	488	---
Non-legal preparation of applications, contracts, and publicity material for various commodities.....	471	---
Handling correspondence in connection with corn-hog contracts.....	1,520	---
Handling correspondence in connection with cigar tobacco projects; assisting in developing plans for adjustments for various types of tobacco; assisting in the determination of administrative rulings.....	1,025	---
Assisting in determining the basis for allotments for the flax and wheat programs..	13,059	---
Grading tobacco in Virginia and North Carolina.....	797	---
Preparing county estimates of wheat acreage, yield, and production; assisting State Grain Boards of Review in establishing uniform procedure in determining contract quotas.....	---	219,420
Making studies looking toward improving the price data on which parity prices are determined and processing taxes calculated..	---	30,000
Preparing county estimates of rye acreage, yield, and production; assisting the State Grain Boards of Review in establishing uniform procedure in determining contract quotas.....	---	32,710
Total, Advances to A.A.A.....	672,369	(a) 626,217

(a) Same total allotment estimated for 1937 but definite projects can not be shown before the 1937 program is planned.

Projects	Obligated, 1935	Estimated obligations, 1936
Agricultural Adjustment Administration (Administration of Cotton Act of 1934): Transferred to Bureau of Agricultural Economics for statistical work and technical services in connection with the administration of the Cotton Act, as follows:		
Assisting the National Allotment Board in the investigation of appeals from county allotments of tax exempt cotton, promulgated in accordance with provisions of the Bankhead Act.....	$ 58,569	---
Checking progress of cotton tagging.....	1,716	---
Assistance in preparing certificates of service.....	443	---
Total, Administration Cotton Act of 1934.....	60,728	---
Agricultural Adjustment Administration (General Expenses): Transferred to Bureau of Agricultural Economics for services in connection with the purchase and distribution of surplus livestock products (Jones-Connally Act), as follows:		
Grading cheese and butter purchased by A.A.A. for disposal through the Federal Emergency Relief Administration.....	$19,994	---
Grading and inspecting evaporated milk purchased by A.A.A. for disposal through the Federal Emergency Relief Administration...	4,188	---
Grading and inspecting dry skim milk purchased by A.A.A. for disposal through the Federal Emergency Relief Administration...	2,596	4,500
Developing, in cooperation with the New England Research Council, a plan of research in connection with marketing of dairy products in the New England States..	---	6,018
Work in Washington, D.C., and Kansas City, Mo., in assembling and disseminating information as to location of supplies of feed and forage and as to needs in deficit areas.....	---	4,967
Total, General Expenses, A.A.A.....	26,778	15,485
Total, Agricultural Adjustment Administration funds.....	877,428	(a) 816,079

(a) $800,594 total allotment estimated for 1937. (See footnotes under "Salaries and Expenses" and "Advances to Agricultural Adjustment Administration," A.A.A.).

Projects	Obligated, 1935	Estimated obligations, 1936
Loans and Relief in Stricken Agricultural Areas:		
Transferred from Agricultural Adjustment Administration for services in connection with drought relief, as follows:		
Inspection, certification, acceptance, and storage of seed grain purchased under the Emergency Appropriation Act for relief in drought-stricken areas.....	$163,471	---
Nationwide survey for the purpose of locating supplies of feeds and seed grain...	28,025	---
Establishing buying headquarters at Denver, Colo., for buying sheep, contacting packing houses, determining the number of sheep to be offered for sale, etc.....	4,006	---
Work in Washington, D. C., and Kansas City, Mo., in assembling and disseminating information as to location of supplies of feed and forage and as to needs in deficit areas.....	66,998	---
Total, Loans and Relief in Stricken Agricultural Areas.....	262,500	---

EMERGENCY FUNDS -- BUREAU TOTAL
(Direct Allotments)

Summary

Projects	Obligated, 1935	Estimated obligations, 1936	Estimated obligations, 1937
Agricultural Adjustment Administration (Transferred to Bureau of Agricultural Economics):			
Salaries and Expenses.....	$117,553	$174,377	$174,377
Advances to Agricultural Adjustment Administration.....	672,369	626,217	626,217
Administration of Cotton Act.....	60,728	----	----
General Expenses (Jones-Connally Act)....	26,778	15,485	----
Total, Agricultural Adjustment Administration.....	877,428	816,079	800,584
Loans and Relief in Stricken Agricultural Areas (Transferred from Agricultural Adjustment Administration).....	262,500	----	----
Civil Works Projects (rural tax delinquency, farm mortgages, and land values).....	164,299	----	----
Total Emergency Funds (Direct Allotments)	1,304,227	816,079	800,584

PASSENGER-CARRYING VEHICLES

The Bureau's authorization for 1936 for the purchase of passenger-carrying cars is $22,200. The estimate for 1937 is $30,300, an increase of $8,100. It is planned to replace 62 worn-out passenger-carrying cars and to purchase 10 additional passenger-carrying cars, making a total of 72 new cars to be purchased in 1937.

Of the 10 additional cars, 3 will be used by supervisors of tobacco inspection who have headquarters at Shelbyville, Ky., Farmville, Va., and Clarksville, Tenn., but whose duties require constant travel between tobacco markets in the various tobacco-producing districts and between auction warehouses at tobacco markets where no satisfactory public transportation facilities are available. The Tobacco Inspection Act, approved August 23, 1935, provides for the inauguration of extensive inspection and market news services. In order to carry out this work it will be necessary for representatives of the Bureau to travel extensively over the various tobacco districts.

Seven additional cars requested are for use in administering the U.S. Warehouse Act and will aid the Bureau in meeting the increased demand for the inspection and licensing of warehouses. These will be used at Atlanta, Ga., Dallas, Texas (2),

Indianapolis, Ind., Omaha, Nebr. (2), and Wichita, Kansas.

Many warehouses are located at inaccessible points or at points where public transportation is infrequent. For instance, cotton and grain warehouses are located in producing territory. Many are in small towns, and in the Northwest a number of grain warehouses are located along railroad tracks which are flanked by farms. Some of these warehouses are a mile or more from the nearest house and several miles from a town. They are located for the convenience of producers and for the convenience of shipping the grain. At many of these places train service is slow and public buses do not reach these houses.

In cotton-producing territory many of the warehouses are in the small towns where rail transportation has been curtailed to the point where an inspector would be obliged to remain over until the next day, though the work might have been finished within a couple of hours after arrival. Buses do not reach these points.

In practically all the cotton-producing territory two men travel in each car. Even at small houses two men can make the inspection much quicker than one man, and, instead of covering one or two houses in a day where they are within close proximity to each other, two men in one car may cover three or four houses a day, depending on the stocks on hand and the size of the warehouses. The use of a car is cheaper than transporting two men by public means of conveyance.

BUREAU OF HOME ECONOMICS

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation Act, 1936	$26,135
Budget Estimate, 1937	31,735
Increase	5,600

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
General administration and business service	$27,147	$26,135	$31,735	$5,600 (1)
Unobligated:				
Savings	104	- -	- -	- -
Total	27,251	26,135	31,735	5,600 (1)

(1) An increase of $5,600 in the project "General administration and business service," is needed to provide the salary for an assistant chief of the Bureau. The administrative duties have increased considerably since the establishment of the Bureau, and under present conditions the Bureau is being called upon to supply information and participate in cooperative relationships to such an extent that there is urgent need for an assistant chief who would serve during the absence of the chief and relieve her at all times of certain responsibilities.

WORK DONE UNDER THIS APPROPRIATION

The activities under this appropriation include: (1) the office of the Chief of Bureau, (2) the business office where general administrative activities of the Bureau, such as personnel, accounts, budget, correspondence, and Bureau files are handled, and (3) the Bureau library.

(b) HOME ECONOMICS INVESTIGATIONS

Appropriation Act, 1936	$167,350
Budget Estimate, 1937	187,350
Increase.....	20,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Home economics information....	$16,623	$17,856	$17,856	- -
Foods and nutrition investigations.....	61,822	63,650	73,650	$10,000 (1)
Family economics investigations.....	40,761	44,563	44,563	- -
Textiles and clothing investigations.....	36,611	36,295	36,295	- -
Household equipment investigations.....	6,202	4,986	14,986	10,000 (2)
Total obligations.....	162,019	167,350	187,350	20,000
Unobligated:				
Legislative impoundments.....	700	- -	- -	- -
Other amounts unobligated.....	38	- -	- -	- -
Total.....	162,757	167,350	187,350	20,000

The increase of $20,000 for 1937 includes:

(1) An increase of $10,000 in the project "Foods and Nutrition Investigations". This increase is needed to expand nutrition work in the Bureau of Home Economics to include studies of the human requirements for the various food nutrients, with special reference to trace minerals and vitamins on which little work has been done. It is known that various degrees of undernutrition, resulting in inefficiency and disharmony in many functions in the body, result from slight differences in the amount of these essential nutrients. Physiological studies are needed to determine the effects of variations in the amounts of these and to determine the amounts desirable for normal functioning of the body if food production and distribution are to meet most adequately health demands. Both national and international health agencies are now pointing out the necessity of planning food production in the joint interest of agriculture and health. Improvement in the diet of the great masses of the population of this country can be made with consequent improvement in physical health. This will involve, in addition to higher industrial wages, agricultural planning and an educational program based on a knowledge of the principles of nutrition.

(2) An increase of $10,000 in the project "Household Equipment Investigations". During the past two years increased demands have been made upon the Bureau by many other Government agencies, as well as home builders, for information on various phases of housing and equipment. Electrical equipment has been tested for the Electric Home and Farm Authority. Kitchen designs, storage, and living arrangements recommended by the Bureau have been used by the various housing agencies. The outlook is for considerable expansion of building, both public and private, during the next four years. If this new housing is to be

planned and equipped to meet the needs of the family living in the house, it important that studies be made to establish more definitely the standards for housing and equipment. Especially is it important that some disinterested agency with the needs of the consumer in mind work with industrial agencies in the development of equipment better adapted to housing needs which can be produced at a lower price and therefore be made available to a larger group of consumers; and that educational material be prepared for the use of manufacturers, builders, and the consumer. The various groups interested in housing have been looking to the Bureau of Home Economics for this help in this field.

WORK DONE UNDER THIS APPROPRIATION

General.-- The Bureau of Home Economics is the unit of the Federal Government devoted exclusively to scientific study of consumer problems. Studies are made of foods and nutrition, textiles and clothing, housing and equipment, and the economic problems of the home from the standpoint of the homemaker and the consumer, with a view to promoting the effective utilization of foodstuffs, textiles, and other products in the home and to improving the living conditions of the American people. The prosperity of agriculture and industry depends in large measure on the consumption of foods, textiles, and other products in our thirty million homes. Production programs adapted to consumer needs are most profitable to both producer and consumer. As the chief purchasing agent for the family, the homemaker determines the use that is made of what the farmer grows and what the factory makes. On this Bureau rests the responsibility of determining for the Nation the standards of living which should guide production of consumers' goods. Through its research and its practical material on these problems, the Bureau of Home Economics is giving the consumer the same kind of scientific help that other branches of the Government are giving to the farmer, the manufacturer, and the merchant. The Bureau employs no field agents but works in cooperation with the State experiment stations and through the home-demonstration agents under the Extension Service and other educational agencies and is in close contact with homemakers and professional home-economics workers throughout the country.

Home Economics Information.- This project consists of the dissemination of results of the research studies to the public in technical reports and scientific articles, popular bulletins, press releases, radio talks, charts, film strips, and exhibits.

Foods and Nutrition Investigations.- Research in foods and nutrition is conducted as follows: (1) Collecting, evaluating, and summarizing data on the chemical composition of all classes of foods for the use of consumers and scientific workers in the field of foods and nutrition; (2) studying the physiological importance of substances that occur consistently in natural foods, and determining the amount of each substance required by the body for growth, maintenance, and health; (3) determining how nutritive value of foods is affected by methods of production, marketing conditions, methods of preservation such as storage, freezing, canning, etc., and methods of preparation; (4) analyzing methods of preparation of food with a view to originating, improving, and standardizing processes; (5) establishing the relation between variety, quality, and nutritive value of foods and their uses in food preparation; (6) determining the factors which enter into food quality and the methods

of determining and measuring these and, in cooperation with producing groups, investigating the influence of variety, breed, and other production factors on edible quality and nutritive value, using these as a basis for establishing quality standards for food products.

Family Economics Investigations.- The work under this project includes an appraisal of the full range of consumption habits of families in different social and economic groups, together with a consideration of the economics of consumer buying and of household production. These studies yield information of value (1) in determining the adequacy of the present levels of living of different groups; (2) in planning for the improvement of living conditions; (3) in furnishing the factual background needed in the preparation of budgets to provide homemakers, teachers, and social agencies with material on the satisfactory administration of family finances, and on the wise use of time and energy in household production; (4) in developing policies which will put pertinent information in the hands of the ultimate consumer so that selection of goods and services may be made intelligently; (5) in aiding producers and business men in formulating plans for commodity production and distribution; and (6) in constructing indexes for measuring changes in the cost of living.

Textiles and Clothing Investigations.- The work under this project consists of studies dealing with the consumer utilization of clothing and household textile materials, particularly of cotton and wool. It includes (1) the development of consumer buying guides for clothing and household textiles based on an appreciation of qualities which best fit certain needs; and the creation of an interest in definite informative labeling as an aid in consumer buying; (2) a study of the relative merits of different varieties, grades, and staple lengths of cotton grown under different conditions from the standpoint of their usefulness to the consumer in finished fabrics as measured by the durability of the fabrics, their reaction to wear and laundering, and their suitability for specific purposes; (3) a study of the relative usefulness of different kinds and grades of the wool, mohair, and other animal fibers which are and can be produced in this country; (4) developing more effective ways of using cotton and wool materials in house furnishings; (5) developing more permanent and more satisfactory mill and laundry finishes for cotton fabrics in order to increase the desirability and usefulness of these textiles; and (6) determining the advantages and disadvantages of certain qualities of fabric and features of design and construction in different articles of clothing as related to their particular use.

Household Equipment Investigations.- Under this project standards for housing are determined and adapted to the social and work needs of the household in different areas. This includes determining the efficiency of different types of household equipment under varying conditions as a guide to selection and use, with special emphasis on stoves and household refrigeration, in order to furnish a basis for specifications to be used in the purchase of household equipment and to establish standards and grades for same.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935	Estimated Obligations, 1936
Agricultural Adjustment Administration (transferred to Bureau of Home Economics):		
(1) Salaries and Expenses: For a statistical study of material on the food consumption of farm families.....	$ 1,986	- -
(2) General Expenses: For a study of the utilization and consumption of dairy products distributed through relief channels, with especial emphasis on dried skim milk.....	- -	$25,000
Total, Emergency Funds.....	1,986	25,000

GRAIN FUTURES ADMINISTRATION

(a) ENFORCEMENT OF THE GRAIN FUTURES ACT

Appropriation Act, 1936	$196,500
Budget Estimate, 1937	201,640
Increase	5,140

PROJECT STATEMENT

Project	1935	1936 (Estimate)	1937 (Estimate)	Increase
Obligated:				
Enforcement Grain Futures Act.....	$184,816	$196,500	$201,640	+ $5,140(1)
Unobligated:				
Savings	5,349	- -	- -	- -
Total	190,165	196,500	201,640	+ 5,140 (1)

(1) The increase of $5,140 for 1937 includes:

(a) $3,700 for additional personnel at Chicago, Ill.: A more thorough and comprehensive analysis of trade information and reports relating to market conditions and factors of supply and demand emanating from commission houses, market news agencies, and the like, together with a more searching analysis of the trading operations of commission houses and speculators responsible for such trade gossip, is essential for proper control and a better understanding of the effect of certain classes of gossip on grain prices. Trade gossip is one of the major influences in grain-trading operations, and oftentimes gossip lacking in authenticity is given wide circulation by commission houses to increase their business for the purpose of increasing commissions. The services of one junior marketing specialist at $2,000 per annum, one stenographer at $1,440, and $260 additional for travel will enable this office to check and study the circulating gossip to a much greater extent than is now possible with the present organization.

(b) $1,440 for additional assistance at New York, N. Y.: It is not possible for the New York office to keep pace with the continually increasing amount of work due to the extensive trading activities of grain houses of clearing members of the Chicago Board of Trade located at New York City and other points in the Eastern territory, through which flows such foreign as well as domestic business. The New York houses, in addition to carrying a rather heavy domestic business, handle the bulk of foreign accounts, the latter

frequently resulting in a rather high percentage of the open commitments. The employment of a typist at $1,440 will help to meet this situation.

WORK DONE UNDER THIS APPROPRIATION

The work under this appropriation, pursuant to the Grain Futures Act, requires the control and supervision of future trading in grain on 15 boards of trade and exchanges designated as contract markets by the Secretary of Agriculture. This work is carried on through 6 field offices located at Chicago, Ill., Minneapolis, Minn., Kansas City, Mo., New York, N. Y., Seattle, Wash., and Sacramento, Calif., and involves (1) observation of trading operations, (2) compiling and publishing daily reports on volume of trading and amounts of open interest, (3) examination of books and records of clearing members for the purpose of discovering and preventing irregularities, (4) examination of market news and gossip items to prevent the dissemination of false and misleading crop and market information, (5) maintenance of a daily check on accounts of large traders, (6) investigation of complaints, and (7) special studies and investigations relating to economic functions and general utility of the future markets for hedging and merchandising purposes.

FOOD AND DRUG ADMINISTRATION

(a) GENERAL ADMINISTRATIVE EXPENSES

Appropriation Act, 1936	$100,802
Budget Estimate, 1937	100,802

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
General administration and business service	$101,334	$100,802	$100,802
Unobligated:			
Savings	95	- - -	- - -
Total appropriation	101,429	100,802	100,802

WORK DONE UNDER THIS APPROPRIATION

This appropriation is used for general administrative expenses, such as general supervision, accounting, editorial work, purchases and distribution of supplies, filing, recording, and the like, applicable to operations in connection with the acts enforced by the Food and Drug Administration.

(b) ENFORCEMENT OF THE FOOD AND DRUGS ACT

Appropriation Act, 1936	$1,540,879
Budget Estimate, 1937	2,062,079
Increase	521,200

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Obligated:				
Enforcement operations under Food and Drugs Act on:				
Beverages and beverage products	$ 44,266	$68,800	$117,350	+$48,550
Cereal products	25,602	37,250	61,860	+ 24,610
Chocolates and saccharin	26,002	32,470	50,500	+ 18,030
Dairy products	112,195	151,600	206,450	+ 54,850
Eggs	11,771	11,860	27,200	+ 15,340
Fishery products	114,616	127,730	146,000	+ 18,270
Flavors and spices	27,436	30,260	38,100	+ 7,840
Fruit products	194,555	275,390	371,400	+ 96,010
Feeds, stock	4,783	6,270	13,000	+ 6,730
Meat products and poultry	6,219	7,140	16,500	+ 9,360
Miscellaneous products	21,315	22,140	26,600	+ 4,460
Nuts and nut products	13,274	13,570	16,500	+ 2,930
Oils and fats	21,154	21,200	24,950	+ 3,750
Vegetable products	127,693	194,230	250,750	+ 56,520
Crude drugs	13,754	14,360	17,100	+ 2,740
Pharmaceuticals	205,935	213,560	294,900	+ 81,340
Proprietary preparations	148,288	150,920	175,900	+ 24,980
Veterinary preparations	18,667	23,150	27,000	+ 3,850
Vitamin preparations	18,802	37,345	56,900	+ 19,555
Total, Enforcement operations under Food and Drugs Act	1,156,327	1,439,245	1,938,960	+499,715
Development of methods for detecting food adulterations or misbranding	52,550	62,104	73,850	+ 11,746
Investigation of methods of analysis and potency of drugs and poisons	16,845	36,110	49,269	+ 13,159
Transferred to Office of the Solicitor (Legal work)	-- ---	(a) 3,420	-- ---	- 3,420
Total obligations	1,225,722	1,540,879	2,062,079	+521,200(1)
Unobligated:				
Savings	213	- - - -	- - - -	- - -
Total appropriation	1,225,935	1,540,879	2,062,079	+521,200(1)

(a) Part year salary of one attorney at $3,800.

(1) The increase of $521,200 includes:

(a) A decrease of $3,800 covering one attorney whose salary is transferred to the Office of the Solicitor in the estimates for 1937.

(b) An increase of $525,000 for strengthening the enforcement of the Food and Drugs Act.

The present annual appropriation is $1,540,879. A reasonably satisfactory enforcement of the Food and Drugs Act would require at least three times this amount. Recommendation is limited to an increase of $525,000 for the next fiscal year only because a more rapid expansion might be inefficient and might result in waste. An increase of $525,000 can be used effectively without waste and with great advantage to the work.

The Food and Drugs Act is an all-inclusive measure. It applies to every type of food and all classes of drugs, whether of domestic or foreign origin. Only those products originating in and disposed of wholly within the borders of a State are exempt from its provisions.

The task of supervising this traffic has become in the post-war period increasingly complicated and difficult. An enormous number of commodities, which a decade or two ago were made wholly in the household kitchen, are now manufactured commercially and shipped in interstate commerce. A great many new medicinal products have appeared within the same period. To estimate the amount of such articles subject to the Food and Drugs Act is difficult because of fluctuating prices and volumes. It is safe to say, however, that the combined value of food and drug products requiring attention is more than $15,000,000,000 annually.

Adequate attention under the law to this prodigious traffic would be an imposing task if the routine channels of commerce of the pre-war period, namely, established steamboat and rail lines, were the only arteries to be watched. Supervision of interstate traffic by rail and steamship lines with fixed destinations and discharge points, where samples can readily be obtained, offers a comparatively simple inspection problem. During the past twenty years such a vast proportion of this traffic has been transferred to truck lines that the problem of inspection and supervision has been enormously complicated.

At present about 84 percent of the Food and Drug Administration's attention is devoted to interstate traffic in foods and drugs and about 16 percent to imports. Thirty percent of the total time is given to the drug traffic and 70 percent to foods. Both in the import and in the domestic field first attention is devoted to forms of adulteration or misbranding affecting public health; second, to those involving contamination of foods with filth or decomposition. Because of present limitations of force and funds the Administration is admittedly required to neglect many classes of food and drug products in the import field which should be permitted entry only after competent inspection and analysis of every arriving shipment. For the same reason it is obliged to overlook known abuses in the domestic field, particularly those involving frauds, cheats, and even, in some instances, cases involving distribution of filthy, decomposed, or otherwise unfit foods.

Expenditures are made under a very definitely formulated plan. The proposed allotments to the various projects, as indicated in the tabulated statement, represent the best estimate that can be made at this time of the most effective distribution of the proposed increase. The breakdown in the work projects corresponds roughly with the various food and drug industries, each of which requires regulatory attention. The amount of funds allotted to each project is subject to drastic revision as the fiscal year progresses. It is impossible to determine in advance when an outbreak of food poisoning, or the uncovering of a new form of economic cheat in a particular industry, may require a very much larger proportion of the funds than has been previously estimated. For example, in our Central Inspection District last year our plans on tomato products called for the use of three men for a period of three months. Developments peculiar to that particular season necessitated an expansion of this program to a degree approximately ten times that originally contemplated. An emergency of this kind can be met only by curtailment of expenditures on other work. However, at least the amount estimated for each project should be used on that project in so far as it is possible to do so.

CHANGE IN LANGUAGE

The only change of language is the insertion of the words "as amended", as the Act has been amended by passage of the Acts of August 23, 1912 (37 Stat., 416), March 3, 1913 (37 Stat., 732), March 4, 1913 (37 Stat., 736), July 24, 1919 (41 Stat., 271), January 18, 1927 (44 Stat., 1003), and July 8, 1930 (46 Stat., 1019).

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the enforcement of the Food and Drugs Act, commonly called the pure food law, approved June 30, 1906 (U.S.C., title 21, Secs. 1-15). The purpose of this Act is to prevent the shipment in interstate or foreign commerce, and the manufacture and sale in the District of Columbia and other territory in which the Federal Government has jurisdiction, of adulterated or misbranded foods and drugs. To enforce this Act it is necessary to maintain supervision of the enormous volume of foods and drugs shipped in its jurisdiction. This requires the inspection of food factories and the examination of shipments of foods and drugs, the analysis of samples, and the presentation of evidence in court.

The Act is enforced throughout the United States by a field staff organized into an Eastern, a Central, and a Western District. Each district is further divided into station territories, each of which covers an average of three States. The station headquarters of the Eastern District are located in Boston, Buffalo, New York, Philadelphia, Baltimore and Atlanta, with inspection substations in Rouses Point, N. Y., Pittsburgh, Pa., Providence, R. I., and Jacksonville, Fla. The station headquarters of the Central District are located in Chicago, Minneapolis, Kansas City, St. Louis, Cincinnati, and New Orleans, with inspection substations in Houston, Tex., Detroit, Mich., and Memphis, Tenn. The station headquarters of the Western District are located in Seattle, San Francisco, Los Angeles, and Denver, with inspection substations in Portland, Oreg., and Spokane, Wash.

Each station has a small staff of chemists, clerks, and inspectors. From station headquarters food and drug inspectors travel throughout the station territory to see that there is general compliance with the Act.

(c) ENFORCEMENT OF THE TEA IMPORTATION ACT

Appropriation Act, 1936	$40,094
Budget Estimate, 1937	40,094

PROJECT STATEMENT

Projects	1935 (Estimated)	1936 (Estimated)	1937
Obligated:			
Enforcement operations under the Tea Importation Act	$38,688	$40,094	$40,094
Unobligated:			
Savings.....	264	- -	- -
Total appropriation	38,952	40,094	40,094

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the enforcement of the Tea Importation Act, approved March 2, 1897 (U.S.C., title 21, sec. 41-50). Every consignment of tea imported into the United States is inspected both as to purity and quality. A board of tea experts determines a suitable standard for tea each year, and no tea for beverage purposes is permitted entry into the United States that falls below that standard. Before the enactment of the Tea Importation Act much low-grade tea that was unfit for use was sent to the United States. Supervising tea examiners are located for the purpose of enforcing this Act at San Francisco, Seattle, Boston, and New York.

(d) NAVAL STORES ACT

Appropriation Act, 1936	$34,700
Budget Estimate, 1937	34,700

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated
Obligated:			
Enforcement operations under the Naval Stores Act	$23,520	$24,185	$24,185
Service operations under the Naval Stores Act	10,087	10,515	10,515
Total obligations	33,607	34,700	34,700
Unobligated:			
Savings	133	- -	- -
Total appropriation	33,740	34,700	34,700

WORK DONE UNDER THIS APPROPRIATION

Provision is made under this item for the enforcement of the Naval Stores Act approved March 3, 1923 (U.S.C. title 7, secs. 91-99). This Act provides that the Secretary of Agriculture "shall examine, if practicable, upon request of any interested person, any naval stores and shall analyse, classify, or grade the same on tender of the cost thereof as required by him, under such regulations as he may prescribe. He shall furnish a certificate showing the analysis, classification or grade of such naval stores, which certificate shall be prima facie evidence of the analysis, classification, or grade of such naval stores and of the contents of any package from which the same may have been taken as well as of the correctness of such analysis, classification or grade and shall be admissible as such in any court."

The Secretary is authorized to purchase from time to time samples of spirits of turpentine and of anything offered for sale as such for the purpose of analysis, classification, or grading, and of detecting any violation of the Act. Naval stores offered for import or export, as well as naval stores that enter interstate commerce, are subject to all the provisions of the Act.

Naval stores classifiers are stationed at Waycross, Ga., Daphne, Ala., Gulfport, Miss., and Houston, Tex.

(e) ENFORCEMENT OF THE INSECTICIDE ACT

Appropriation Act, 1936..... $208,180
Budget Estimate, 1937..... 208,180

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Enforcement operations under the Insecticide Act.....	$174,689	$180,910	$180,910
Investigation of methods of testing and efficacy of Insecticides and Fungicides	26,130	27,270	27,270
Total obligations.....	200,819	208,180	208,180
Unobligated:			
Savings.....	353	- -	- -
Total appropriation.....	201,172	208,180	208,180

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the enforcement of the Insecticide Act approved April 26, 1910 (U.S.C. title 7, secs. 121-134). The Insecticide Act makes illegal the manufacture, sale, or transportation in interstate commerce of adulterated or misbranded insecticides and fungicides, as well as their importation and exportation. It prescribes definite standards to which all lead arsenates and Paris greens subject to its provisions should conform. It provides that all insecticides and fungicides, other than lead arsenates and Paris greens, that contain inert ingredients shall bear, upon the face of the principal label of every package, a statement giving the name and quantity of each inert ingredient of the preparation with a statement that such ingredient is inert, or, instead, a statement giving the name and quantity of each active ingredient, with the percentage of the combined inert ingredients. The principal labels for insecticides, other than lead arsenate and Paris green, and for fungicides that contain arsenic or compounds of arsenic, must show the percentage of arsenic present. Any false or exaggerated claim as to the efficacy of an insecticide or fungicide constitutes a violation of the law. The Act requires further that all insecticides and fungicides must be up to the standards under which they are sold and that no insecticide or fungicide shall contain any substance or substances that will injure the plant on which it may be used. In addition to the regular inspection and analytical work carried on through the three districts and sixteen field stations as listed under the Food and Drug Act, testing stations are maintained at Sodus, N. Y., Corvallis, Oreg., Haddon Heights, N. J.,

(f) ENFORCEMENT OF THE MILK IMPORTATION ACT

Appropriation Act, 1936..... $19,241
Budget Estimate, 1937 19,241

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated
Obligated:			
Enforcement operations under the Federal Import Milk Act.....	$18,269	$19,241	$19,241
Unobligated:			
Savings.....	549	- -	- -
Total appropriation.....	18,818	19,241	19,241

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the enforcement of the Milk Importation Act approved February 15, 1927 (U.S.C., Supp. IV, title 21, secs. 141-149). The Act requires inspection both at the source and at the ports of entry. The work of enforcing the Act, therefore, involves the supervision of the sanitary inspection of Canadian shipping plants and dairies from which milk is shipped to the United States and supervision of the physical examination and, in most instances, tuberculin testing once a year of cattle from herds producing milk shipped to the United States, this work being carried out in collaboration with Canadian officials as authorized by the Act. The work also involves the bacteriological examination and temperature tests of sufficient representative samples of all imported milk and cream to insure compliance with the Act at ports of entry. Milk may be brought into the United States at any port along the Canadian border, but the bulk of the milk and cream imported from Canada comes in through New York and New England ports of entry.

(g) ENFORCEMENT OF THE CAUSTIC POISON ACT

Appropriation Act, 1936	$24,741
Budget Estimate, 1937	24,741

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
Enforcement operations under the Caustic Poison Act.....	$24,089	$24,741	$24,741
Unobligated:			
Savings.....	220	- -	- -
Total appropriation	24,309	24,741	24,741

WORK DONE UNDER THIS APPROPRIATION

Under this item is conducted the work of enforcing the Caustic Poison Act, approved March 4, 1927 (U.S.C., Supp. IV, title 15, secs. 401-411). This Act imposes upon the Department the obligation of seeing that the large number of preparations containing caustic or corrosive substances and sold in interstate or foreign commerce for household use are correctly labeled with the common name of the substance, with the word "Poison", with directions for treatment in case of accidental personal injury, and with the name and place of business of the manufacturer, packer, seller, or distributor. To enforce the Act, samples must be collected from the products, their composition determined by chemical analysis, and such tests made as will establish whether any or all of the ingredients are caustic or corrosive, and whether the directions given in case of injury are correct and adequate.

(h) ENFORCEMENT OF THE FILLED MILK ACT

Appropriation Act, 1936	------
Budget Estimate, 1937	$10,000
Increase.....	10,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
Enforcement operations under the Filled Milk Act	- - -	- - - -	$10,000	$10,000 (1)

(1) A new item of $10,000 is recommended for the enforcement of the Filled Milk Act. Public No. 350, 74th Congress, approved August 27, 1935, amended the Filled Milk Act of March 4, 1923 by authorizing the Department of Agriculture to administer its provisions. The law has not heretofore been enforced, since the Department of Justice has no laboratory facilities for the analysis of samples necessary to prove violations of the Act, and no other department of the Government has authority to make such analyses. This appropriation will cover the cost of collecting and analyzing samples of filled milk and, if necessary, of presenting the necessary inspectional and analytical evidence in court for a limited number of cases. It is only possible to do this with the amount estimated because laboratory facilities provided for the enforcement of other regulatory laws can be utilized for filled-milk work.

WORK DONE UNDER THIS APPROPRIATION

This appropriation provides for the enforcement of the Filled Milk Act. The Act prohibits the shipment in interstate or foreign commerce of so-called filled milk, which is made by the removing butterfat and the substitution of other fats.

(g) SEA FOOD INSPECTORS

Appropriation Act, 1936	------
Budget Estimate, 1937	$80,000
Increase	80,000

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase
To provide inspectors for sea food packing plants	- - -	- - - -	$80,000	$80,000 (1)

(1) A new item of $80,000 is recommended to provide inspectors for sea-food packing plants, to carry out the purposes of the Act approved August 27, 1935, amending the Food and Drugs Act (Public No. 346, 74th Congress). This law provides that the Secretary of Agriculture, upon application of any packer of any sea food for shipment or sale within the jurisdiction of the Act, may, at his discretion, designate inspectors to examine and inspect such food and the production, packing, and labeling thereof, and contemplates that Congress will provide for a number of sea food inspectors for the purpose. Heretofore, under the provisions of the Act of June 22, 1934 (48 Stat., 1204), the entire cost of the sea-food inspection service, including salaries of the inspectors, has been paid from funds contributed by the packers requesting the service, which during the fiscal year 1935 amounted to $37,250, and for the fiscal year 1936 they are estimated at $100,000. In order to provide for this inspection of sea food, it is necessary to assign at least one inspector to each plant to be inspected. At the present time forty-five sea-food inspectors are engaged in the work. It is impossible to determine accurately at this time how many additional sea-food packers will request the service during the next fiscal year, but it is certain that the number will not be less than 40. The estimate is limited to the minimum number of inspectors that will be needed. All other expenses connected with the service, except the salaries of inspectors provided in this item, will be paid from funds contributed by the packers who apply for this service.

WORK DONE UNDER THIS APPROPRIATION

This appropriation will provide for the continuous inspection of the packing of sea foods upon the application of the packers. The service will include inspection of raw materials, the various processes of packing, the sanitary conditions involved, and the finished product.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935
Public Works Allotments (National Industrial Recovery Act):	
Completion of work of constructing laboratory building, greenhouses, barn, and garage for testing insecticides on fruit, vegetables, growing plants, and animals at Beltsville, Md.	$ 162
Completion of landscaping, setting out fruit trees, and building cement walks on land for experimental work on insecticides at Beltsville, Md.	185
Constructing built-in equipment for 6 laboratory units for analysis of foods, drugs, insecticides, and fungicides in new Federal building, Philadelphia, Pa.	6,944
Total, Public Works Allotments (N. I. R.)	7,291 (a)

(a) No carry-over to 1936.

PASSENGER-CARRYING VEHICLES

The authorization for purchase of passenger-carrying vehicles contemplates an increase of $19,290 ($21,860 in 1936; $41,150 estimated for 1937) for this purpose. As shown by the budget schedule, the $41,150 authorization would permit needed replacement of 30 vehicles at a net average cost of $435 each, when exchange allowances are taken into account, and the purchase of 50 additional vehicles at an average cost of $560 each.

The use of automobiles for the purpose of carrying on inspection work under five acts enforced by the Food and Drug Administration is essential. Factories, dairies, orchards, canneries, warehouses, retail establishments, and other places where foods, drugs, insecticides, and naval stores are manufactured, produced, or distributed must be visited and inspected. Shipments of these commodities by freight, express, and trucks must be kept under surveillance. Samples must be collected and delivered for shipment to laboratories. This can be done most economically and efficiently by the use of automobiles. Automobiles can be obtained for the purpose by hiring commercial cars, by using personally owned cars of employees on the mileage basis, or by the purchase of Government-owned cars. The latter method has been found to be the most economical in the work of the Food and Drug Administration, costing on the average of about 3-1/2 cents per mile. The purchase of additional cars included in these estimates will reduce the use of personally owned cars which cost on the average about 5 cents per mile and also the hire of commercial cars which cost from 10 to 15 cents per mile. They are needed because of the proposed expansion of the work.

The 30 vehicles to be exchanged are cars or trucks which during the fiscal year 1937 will have been used for the maximum number of miles of economical op-

SOIL CONSERVATION SERVICE

The estimates for 1937 include items totaling $27,500,000 for the work of the Soil Conservation Service. This agency was established in the Department of Agriculture pursuant to Section 5 of the Soil Conservation Act (Public No. 46, 74th Congress, approved April 27, 1935). For a number of years prior to that date, the Department of Agriculture had, through it established bureaus, conducted experimental work in the prevention of soil erosion. Augmented work, largely of a demonstrational nature, had also been under way in the Department of the Interior since 1933 under the direction of an emergency organization designated as the Soil Erosion Service. This agency was transferred to the Department of Agriculture on March 25, 1935, and shortly thereafter it was designated as the Soil Conservation Service pursuant to the Act of April 27, 1935. To this new agency was transferred the research work in soil erosion formerly conducted by the Bureaus of Agricultural Engineering and Chemistry and Soils and the erosion nurseries which were being established by the Bureau of Plant Industry under emergency fund allotments. For the fiscal years 1935 and 1936, the work of the Soil Conservation Service has been financed almost entirely by allotments from the emergency appropriations.

The Budget estimate of $27,500,000 for 1937 is $3,004,309 less than the funds available for 1936. The amounts from all sources for 1935 and 1936 and estimated for 1937 are shown in the following table:

Sources of funds	Obligated, 1935	Obligations, 1936 (Estimated)	Budget estimate, 1937	Increase or decrease, 1937
P.W.A. and N.I.R.A.	$10,756,858	$2,256,901	- - -	-$2,256,901
Emergency Relief Appropriation Act of 1935.....	- - -	27,500,000	- - -	-27,500,000
Regular Funds:				
Soil Erosion Investigations.	176,759	182,210	(a)	- 182,210
Plant Reserve Stations.....	- - -	483,198	(a)	- 483,198
Budget Estimate, 1937.....	- - -	- - -	$27,500,000	+27,500,000
Puerto Rico Sugar Processing Tax Trust Fund.....	- - -	82,000	- - -	- 82,000
Total.....	10,933,617	30,504,309	27,500,000	- 3,004,309

(a) Provision for continuation of erosion experiment stations and nurseries is included in the $27,500,000 Budget Estimate for 1937.

The Soil Conservation Act is quoted below in full:

[Public-No.46-74th Congress]
[H.R.7054]
AN ACT

To provide for the protection of land resources against soil erosion, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby recognized that the

wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion and in order to effectuate this policy is hereby authorized, from time to time--

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water;

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this Act; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of this Act.

Sec. 2. The acts authorized in section 1 (1) and (2) may be performed--

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

Sec. 3. As a condition to the extending of any benefits under this Act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this Act, require--

(1) The enactment and reasonable safeguards for the enforcement of State and local laws imposing suitable permanent restrictions on the use of such lands and otherwise providing for the prevention of soil erosion;

(2) Agreements or covenants as to the permanent use of such lands; and

(3) Contributions in money, services, materials, or otherwise, to any operations conferring such benefits.

Sec. 4. For the purposes of this Act, the Secretary of Agriculture may--

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary, except for a period not to exceed eight months from the date of this enactment, the Secretary of Agriculture may make appointments and may continue employees of the organization heretofore established for the purpose of administering those provisions of the National Industrial Recovery Act which relate to the prevention of soil erosion, without regard to the civil-service laws or regulations and the Classification Act, as amended; and any persons with technical or practical knowledge may be employed and compensated under this Act on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this Act.

Sec. 5. The Secretary of Agriculture shall establish an agency to be known as the "Soil Conservation Service", to exercise the powers conferred on him by this Act and may utilize the organization heretofore established for the purpose of administering those provisions of sections 202 and 203 of the National Industrial Recovery Act which relate to the prevention of soil erosion, together with such personnel thereof as the Secretary of Agriculture may determine, and all unexpended balances of funds heretofore allotted to said organization shall be available until June 30, 1937, and the Secretary of Agriculture shall assume all obligations incurred by said organization prior to transfer to the Department of Agriculture. Funds provided in H.J. Res. 117, "An Act making appropriation for relief purposes" (for soil erosion) shall be available for expenditure under the provisions of this Act; and in order that there may be proper coordination of erosion-control activities the Secretary of Agriculture may transfer to the agency created under this Act such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine.

Sec. 6. There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

Approved, April 27, 1935.

(a) GENERAL ADMINISTRATIVE EXPENSES

Source of funds	Obligated, 1935	Obligated, 1936 (Estimated)	Budget Estimate, 1937	Increase or Decrease, 1937
Regular Funds.....	- - -	- - -	$501,250	+$501,250
PWA and NIRA.....	$215,000	$51,822	- - -	- 51,822
Emergency Relief Appropriation Act of 1935.....	- - -	562,178	- - -	- 562,178
Total.....	215,000	614,000	501,250	- 112,750

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)	Decrease
General administration and business service.....	$215,000	$614,000	$501,250	- $112,750(1)

(1) The amount recommended for general administration for the fiscal year 1937 ($501,250) is $112,750 less than the allotments available for this work in 1936. This is due to economies and increases in efficiency which will be effected by decentralization of certain functions to regional offices and to the somewhat smaller personnel required to handle regular funds as compared to the emergency funds available during the fiscal year 1936. The estimated funds needed for the fiscal year 1937 are based upon a careful analysis of the minimum needs for personnel in the Washington office consistent with work demands. Every effort has been made to economize through the maximum decentralization of functions to regional and other field offices.

WORK DONE UNDER THIS APPROPRIATION

This appropriation is used for the salaries and expenses of employees in the Washington office engaged in general administrative and service activities. Included are the offices of the Chief, Associate Chief, Assistant Chief, and the Section of Business Management, which handles the personnel, fiscal, and like activities.

(b) SOIL AND MOISTURE CONSERVATION AND LAND USE INVESTIGATIONS

Source of funds	Obligated, 1935	Obligated, 1936 (Estimated)	Budget Estimate, 1937	Increase or decrease, 1937
Regular Funds (a).....	$176,759	$182,210	$2,393,776	+$2,211,566
PWA and NIRA.....	266,600	142,935	- - -	- 142,935
Emergency Relief Appropriation Act of 1935.....	- - -	1,816,829	- - -	- 1,816,829
Total.....	443,359	2,141,974	2,393,776	+ 251,802

(a) Includes for 1935 and 1936 the allotments formerly made to the Bureaus of Chemistry and Soils and Agricultural Engineering from the appropriation "Soil Erosion Investigations," heretofore carried as a special item under the "Miscellaneous" section of the Department of Agriculture Appropriation Act, but which has been omitted as a separate item in the estimates for 1937, the funds being merged with those of the Soil Conservation Service.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase or decrease
Soil and moisture conservation investigations under controlled plot and laboratory conditions.	$430,107	$955,179	$904,796	-$50,383
Soil and moisture conservation investigations on entire experimental drainage units.....	- - -	596,293	833,658	+237,365(a)
Sedimentation (resulting from erosion) investigations.....	13,252	350,670	306,037	- 44,633
Geographic and climatic factors related to erosion, general investigations of.....	- - -	201,637	189,285	- 12,352
Cooperative investigations of economics of erosion and erosion control.....	- - -	19,407	110,000	+ 90,593(b)
Cooperative investigations of erosion-resisting plants of economic value.....	- - -	18,788	50,000	+ 31,212(c)
Total (All Funds).....	443,359	2,141,974	2,393,776	251,802(1)

WORK DONE UNDER THIS APPROPRIATION

General.--The continuing productivity of agricultural lands is dependent upon their wise use and upon the application of effective measures of soil and moisture conservation. The development and refinement of such measures is, in turn, dependent upon exhaustive study and investigation.

The program of soil conservation undertaken by the Soil Conservation Service, in accordance with the policy of Congress as expressed in Public No. 46 - 74th Congress, involves a series of complex problems arising out of the diversity of factors which enter into the formulation and application of a uniform plan of erosion control. In order to insure the effectiveness of erosion prevention and control measures, and to assure the most judicious expenditure of Federal, State, and private funds employed for soil conservation purposes, investigations and research are necessary. The program of investigations outlined herein contemplates the determination and progressive development of information regarding the character and causes of erosion and the methods of soil and moisture conservation. Such investigations will reduce the cost and increase the economy and effectiveness of the measures to be applied under the national program of soil and moisture conservation.

Soil and moisture conservation investigations under controlled plot conditions.--This project involves the operation of 12 erosion experiment stations which were in operation during the fiscal year 1936, the completion of 7 additional experiment stations upon which construction is being started during the fiscal year 1936, the establishment of 1 new wind erosion experiment station, the carrying on of certain laboratory work at the Beltsville Research Center, and the continuation of experimental work under way during the fiscal year 1936 on the Navajo and Rio Grande Projects in Arizona and New Mexico. Three closely related fields of study are involved, as follows:

(1) The determination of factors which influence the rate of erosion and the percentage of run-off, such determination to be made on the basis of quantitative measurements under carefully controlled experimental plot conditions and with carefully calibrated equipment developed especially for that purpose. Results obtained will make it possible to isolate and evaluate the variables involved in the processes of soil-erosion and moisture wastage. This information will furnish a basis for experimentation with control methods under actual field conditions and is essential to the design and adaptation of new and established measures of control.

(2) The development and refinement of techniques involved in the application of engineering, agronomic, and other methods of soil and water conservation, with particular emphasis upon the development of those methods which can be applied by farmers without the use of expensive machinery and material. Among the typical problems to be studied are crop rotations; spacing and the width of strip crops under varying conditions; development and use of permanent vegetative contour strips; the most economical design, spacing, and construction of broad-based terraces; vegetative and engineering methods for controlling gullies; and the prevention of wind erosion by listing, strip cropping, use of crop residues, and similar measures. Investigations of these and related problems are expected to effect great economies in soil and moisture conservation and will provide a basis for permanent agriculture on the various types of agricultural lands.

(3) Determination of factors influencing the rate at which top-soil, or its equivalent in fertility, is created under natural conditions or by artificial methods of land treatment. Without information regarding these factors it is impossible to ascertain whether or not soil conservation measures are adequate to maintain a permanent equilibrium between losses in fertility due to erosion and the creation of new fertility due to erosion and the creation of new fertility by natural forces or artificial measures. Such information is likewise essential in determining methods for the practical and economical restoration of fertility to land already depleted by erosion. This particular field is largely unexplored, and offers wide opportunity for the development of measures for the rehabilitation of waste areas.

Soil and moisture conservation investigations on entire experimental drainage units.--The work to be done under this project involves the completion and operation of three watershed projects established during the fiscal year 1936, the establishment of two new watershed projects during the fiscal year 1937, continuation of studies now under way at the Mexican Springs Experiment Station on the Navajo Project, and the carrying on of studies of stream flow on demonstration projects of the Soil Conservation Service.

The objective of these studies is to discover to what extent soil and moisture conservation measures and agricultural uses and practices affect stream-flow, flood-flow, and the transportation of silt by run-off water. The studies will be made under experimental conditions on watersheds of 5,000 or more acres. The data to be obtained are essential to a determination of the effect of the pertinent factors upon surface and underground water supplies for municipal, irrigation, and other uses, upon the conservation of moisture for the amelioration of droughts, and upon the low-water flow of streams and high water flows as contributing to floods. The information to be obtained will be used in planning measures for the control of floods through proper methods of land use, in the retention of moisture, and in the development of the most effective erosion-control measures.

In connection with the studies of stream-flow on demonstration projects of the Soil Conservation Service, it is planned to continue the work on an improved and more rigidly controlled basis in order to determine the effect of soil conservation measures upon the flow and silt transportation of the streams concerned.

Sedimentation (resulting from erosion) investigations.--The work under this project involves largely the continuation of studies started during the fiscal year 1936, including (a) surveys of the siltation of reservoirs, (b) hydraulic and (aerodynamic) laboratory investigations, (c) surveys of the rate of siltation of streams and valleys, and (d) the measurement of river bedloads.

Erosion not only destroys the soil of uplands but its products also interfere with the orderly use of water resources. The sedimentation of reservoirs, irrigation channels, and river channels and the deposition of infertile erosional detritus on fertile agricultural areas are direct results of wind and water erosion. The siltation of reservoirs threatens the permanent agricultural use of irrigated lands, the water supply of towns and power developments, and the social security of dependent populations. The deposition of infertile materials on agricultural land may cause the abandon-

ment of highly developed agricultural areas. Siltation occurring in reservoirs and river channels constitutes a measure of the rate of erosion upon the watersheds concerned and increases proportionately with the severity of erosion. To a large extent the effectiveness of watershed protection measures can be determined by reductions in the rate of siltation.

Investigations under this project involve the continuation of surveys and studies of the siltation of reservoirs and channels, erosional deposition on low-lying lands, and the amount and character of erosional waste transported as bedload by natural streams, and laboratory investigation of the principles governing the dynamics of silt-laden waters. The data to be obtained will be used in determining the status of this menace to investments in irrigation, power, and municipal enterprises amounting to hundreds of millions of dollars, the effectiveness of measures for control of erosion on the watersheds of reservoirs and channels subject to siltation, and the rate of siltation as related to measures for its prevention. The data also will be used in the design of silt-detention structures. Other studies will contribute to the development of measures to prevent wind erosion. Important information will be obtained with respect to the benefits which soil and moisture conservation operations may confer upon lower lying reservoirs and channels, thus making possible an equitable distribution of cost.

Geographic and climatic factors related to erosion, investigations of.--Studies under this project involve thorough analyses of existing climatic data, region by region; collection of additional data in cooperation with the Weather Bureau; investigations of types of corresponding vegetation; and the physiographically determined erosional processes which have produced corresponding land forms. Likewise, historical studies are to be pursued which will discover the effect of land-use practices, region by region, upon the original undisturbed vegetation and land as measures of the trends in the progressive effect upon land resources of regions.

The studies are pursuant to the recommendations of the Science Advisory Board (Report of 1933-34) and are necessary in order that the processes of soil erosion may be determined in magnitudes and trends by a measuring of the normal processes of erosion on land in its undisturbed state. Normal processes of erosion are conditioned by climate, appropriate vegetation, and the soils, which have through thousands of years responded to these conditions. Responses to normal erosion are shown in land forms. Clearing and cultivation exposes land to erosive processes against which it was formerly protected. The normal rates of erosion represent the end point of possible erosion control as well as a basis for measuring the rate of accelerated erosion or the rate of soil wastage. Thorough studies of soil erosion begin with a well-established understanding of the normal controls in climate, vegetation, and the corresponding physiographic processes.

Cooperative investigations of economics of erosion and erosion control.--Work under this project will be carried out in cooperation with the Bureau of Agricultural Economics of the Department of Agriculture and other suitable Federal and State agencies. The objectives of the studies are to determine the economic interrelationships between erosion and its resulting moisture wastage and farm abandonment, standards of living of agricultural populations, financial losses involved in the destruction of reservoirs by siltation, the decrease in the value of land collateral farm mortgages, and similar phenomena.

The studies will also involve a determination of the economic effects of various types of measures for the control of erosion upon the economy of the individual farmers and the farm community. These studies are essential in order that the soil conservation program may be so worked out as to be practical and feasible from an economic point of view. Likewise the extent to which the several measures of erosion control may be carried out will be determined by economic studies, as well as the degree of effectiveness of the work that has been done on demonstration areas. These studies are also needed in order that the benefits arising from soil and moisture conservation operations may be determined as a basis for the equitable distribution of the cost of work to be done.

Cooperative investigations of erosion resisting plants of economic value.-- The work to be done under this project involves investigations, to be carried out in cooperation with the Bureau of Plant Industry, of methods whereby erosion control vegetation giving a high economic return can be used in the control of erosion on sloping land. One of the most difficult problems to be faced in the control of erosion on sloping lands is that the control measures to be applied frequently require the retirement of the land from clean tilled cultivation and to planting to such crops as trees, shrubs, and similar growth. The change in land use may frequently deprive the owner of the land of immediate cash income essential to his economic independence.

The purpose of these investigations is to seek out specialty cover crops of shrubs, specialty woods, nuts, fruits, and other erosion-resisting vegetation yielding commercially salable oil, tea, drugs, and similar by-products of the farm which will furnish an annual return to the owner of the land. By means of these studies it is planned to develop methods of using steep erosive lands which will not only control erosion but also yield a comparatively quick and substantial profit to the land owner. Farmers otherwise unable to afford proper measures for the control of erosion on their land may thus find the erosion-control measures profitable, and cooperation in a national program of erosion control would be more firmly established and assured.

(c) SOIL AND MOISTURE CONSERVATION OPERATIONS, DEMONSTRATIONS, AND INFORMATION

Source of funds	Obligated, 1935	Obligated, 1936 (Estimated)	Budget Estimates 1937	Increase or decrease
Regular Funds	-----	$483,198(b)	$24,604,974	+$24,121,776
PWA and NIRA	$10,275,258(a)	2,062,144	-----	- 2,062,144
Puerto Rico Sugar Processing Tax Trust Fund	-----	82,000	-----	- 82,000
Emergency Relief Appropriation Act of 1935..	-----	25,120,993	-----	- 25,120,993
Total	10,275,258	27,748,335	24,604,974	- 3,143,361

(a) This figure excludes $423,562, which is erroneously reported in the schedule "National Industrial Recovery, Interior, Soil Erosion Prevention (Transferred to Department of Agriculture)," consisting as it does, a duplication in part of the amount shown as obligated in 1935 under the schedule "National Industrial Recovery, Agriculture, Plant Industry (Transferred to Soil Conservation Service)."

(b) The appropriation for "Plant Reserve Stations," Bureau of Plant Industry, fiscal year 1936 ($483,198) was transferred to the Soil Conservation Service in 1936, under authority of the Act of April 27, 1935. The item is omitted as a separate appropriation in the estimates for 1937, but provision for continuance of the work is included under these estimates.

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase or decrease
Conservation surveys to determine the extent and distribution of erosion.	$218,610	$847,698	$993,935	+ $146,237
Soil and moisture conservation operations by means of demonstration projects in agricultural and erosion regions	8,045,774	20,065,797	14,474,410	-5,591,387
Soil and moisture conservation operations on watersheds largely owned or controlled by the Government	1,251,337	4,556,138	3,954,535	- 601,603

PROJECT STATEMENT - (Continued)

Projects	1935	1936 (Estimated)	1937 (Estimated)	Increase or decrease
Soil and moisture conservation operations (Federal Aid) in cooperation with conservation districts established under State laws	----	----	$981,084	+$981,084
Operation of erosion nurseries for the propagation of plants for use in soil and moisture conservation operations.	$751,757	$1,392,544	1,483,738	+ 91,194
Technical cooperation with Emergency Conservation Work (CCC) camps and other Federal and State agencies	7,780	886,158	2,717,272	+1,831,114
Total (all funds) ...	10,275,258	27,748,335	24,604,974	-3,143,361(1)

(1) The Budget estimate for regular funds for the fiscal year 1937, compared with the emergency funds available during the fiscal year 1936, constitute a net decrease of $3,143,361. The activities involved in each of the foregoing projects are described in the paragraphs which follow.

WORK DONE UNDER THIS APPROPRIATION

General.-- The work to be carried out under this project involves those phases of the activities of the Soil Conservation Service which are directed toward actual physical prevention and control of erosion as distinguished from investigations into the causes of erosion and methods of its control. The projected work contemplates the prevention and control of erosion under an integrated plan of procedure involving a variety of methods and types of activity. Every advantage will be taken of various facilities for expediting procedure and distribution of cost through cooperation with other agencies of the Federal Government, the States, and subdivisions of States.

Conservation surveys to determine the extent and distribution of erosion.-- This project includes the preparation of conservation surveys to determine the distribution and extent of erosion in the United States and in individual States and counties as the basis for adequate planning of the national program of soil and moisture conservation. These surveys are essential to the development of the program of the Soil Conservation Service and to the adjustment of the program

geographically so as to distribute equitably among those regions most in need of erosion-control measures the benefits of the work to be undertaken. The surveys will also be of great value to other Federal agencies and to State planning boards, agricultural colleges, and other institutions concerned with the agricultural welfare of the United States.

The task involves extensive field survey work, the making of necessary aerial surveys, and the maintenance of adequate facilities for the compilation and publication of soil-conservation data in map form. Not included under this project is the extensive detail erosion survey work carried out on individual farms in the preparation of working plans for soil and moisture conservation operations on work projects, since these costs are more properly charged against project expenditures. Neither is there included under this project such survey work as may be involved in furnishing technical supervision for the erosion-control work of other agencies.

The need for work under this project lies in the meagerness of accurate information as to the distribution and extent of erosion in the United States. While it is true that the reconnaissance survey made for the National Resources Board during the fiscal year 1935 gives a general picture of the problem, much more detailed study and information is necessary in order to define the seriousness of erosion in terms of individual small watersheds and areas. This must be done prior to the application of adequate measures for control and is essential in locating and establishing projects on a basis of the true physical and economic factors involved.

It is of course evident that the first essential of a national program of soil and moisture conservation must be an accurate mapping and evaluation of conditions as they exist in order that a true appraisal may be had of the amount and extent of the work necessary to control the evil of land wastage.

Soil and moisture conservation operations by means of demonstration projects in agricultural and erosion regions.--Operations under this project involve the conduct of complete watershed demonstrations, largely on privately-owned agricultural land, for the purpose of providing farmers of a general region with a concrete, visual demonstration of practical, effective soil and moisture conservation measures. Each demonstration involves the application of an integrated plan of erosion control over an entire drainage area. In cooperation with individual landowners within the selected area, adaptable vegetative and engineering methods of erosion control and moisture conservation are applied according to the peculiar requirements of each parcel of land. Vegetative methods are used with a view to reestablishing the nearest possible approximation of natural control conditions and include the restoration of range and pasture grasses, the use of strip cropping, the establishing of proper crop rotations, the planting of shrubs and trees, the retirement from cultivation of excessively eroded and erodible land, and the introduction of proper woodlot management methods. Engineering methods are used largely to supplement vegetative controls and include the construction of check-dams to control gully erosion, contour-furrowing of pastures, terracing of cultivated fields, construction of diversion ditches and dams, contour listing of wind-blown fields, and other measures of a similar nature. The integration of adaptable vegetative and engineering methods into a unified, coordinated program provides a complete land-use plan for the watershed on which the demonstration is being carried out.

As the natural corollary of demonstration work under this project, activities looking toward the dissemination of information and educational material pertaining to the subject of soil conservation are carried on. For hundreds of thousands of farmers, scientists, and other interested persons who can be reached in no other way the printed word must be the principal medium of education as to the need for the preservation of national soil resources and the methods available for meeting this need. The effectiveness of research work in the field of erosion control and moisture conservation likewise depends to a major extent on the manner in which new discoveries and techniques and improvements on old methods are brought to the attention of those who can put them into practical use. The preparation, publication, and distribution of Farmers' Bulletins, technical papers, and similar material is therefore highly essential. Likewise, if the demonstration program is to be completely effective, farmers must be apprised of the location of project areas and of the value of the work being done. Informational work is carried out through the Department of Agriculture and in close cooperation with institutions of learning, State extension services, and other organizations having adequate facilities to be of assistance.

During the fiscal year 1937 the establishment of only 10 new demonstration projects is contemplated. Effort is to be concentrated principally in carrying toward completion the 141 demonstration areas to be in operation on July 1, 1936. The new project areas to be selected will be located in erosion regions which as yet have been untouched by the soil conservation erosion-control program.

Soil and moisture conservation operations on watersheds largely owned or controlled by the Government.--Operations under this project involve soil and moisture conservation operations on large watershed areas composed for the major part of Federally owned or controlled land (public domain, forest lands, Indian reservations, parks, and other Federal reserves). In these areas, where the Federal Government is responsible for the application of proper land-conservation measures, the most effective and economical procedure is to go ahead immediately with a control program, since delay may permit the development of erosion to the point where the cost of effective control becomes prohibitive. However, for the fiscal year 1937 no new work is contemplated. Rather it is planned to concentrate on the completion of the 3 large watershed projects now under way.

These project areas have long been subject to severe overgrazing which has resulted in the denudation of natural vegetation, the prevention of reproduction in certain forest and formerly grassed areas, an exceedingly serious accelerated erosion, and the creation of destructive floods carrying large quantities of silt. This process has upset the balance between rainfall, vegetation, and the run-off, infiltration, and underground storage of water. Perennial streams, formerly not subject to destructive floods, have been transformed into eroded washes, alternately dry and filled to the brim with flash floods. Irrigated lands in the lower reaches of watersheds are subjected alternately to lack of water and destruction through bank and new channel cutting of meandering currents. Large irrigation projects are threatened with relatively early abandonment due to siltation of reservoirs and irrigation canals. Areas formerly made productive by flood-water irrigation methods are being progressively abandoned due to back-cutting of gullies and denudation

of local watersheds. Grazing values of range lands are declining to the point where the virtual extinction of the economic use of large livestock areas is imminent. As a consequence the permanent habitability of large portions of the areas concerned is threatened, and large Federal and private investments in irrigation reservoirs and values dependent thereon are likewise menaced.

The plan of operation on these projects contemplates the restoration of natural balances through the following procedure: (1) The preparation of a comprehensive and integrated plan and method of procedure for each watershed, based upon comprehensive surveys of range-carrying capacities, erosion, topographic and soil conditions, climatological data, natural water supply, and necessary readjustments in methods of land use based upon existing population distribution and economic conditions as related to the physical factors involved. Such plans are being integrated with other agencies responsible for the administration of parts of such watersheds. (2) The application of such measures of control as the prevention of over-grazing; artificial revegetation of denuded areas; damming of gullies; the spreading of water from eroding gullies and washes onto neighboring lands to make possible (a) stabilization and refilling of gullies and (b) increase in erosion resisting vegetation on lands thus provided with increased water supply; the introduction of improved methods of flood-water farming to make possible the existence of native populations which would be asked to reduce their livestock as an important measure of range rehabilitation; the rebuilding of areas destroyed by bank-cutting of meandering waterways and the protection of neighboring lands through planting of vegetation in the bottoms of destructive washes; contour and basin furrowing of certain areas; the encouragement of forest reproduction; and, where necessary, reduction of bank-cutting (with accompanying destruction of irrigated lands) through construction of comparatively small open-spillway flood-detention reservoirs to reduce peaks of flash floods.

Soil and moisture conservation operations (Federal aid) in cooperation with conservation districts established under State laws.--Operations under this project will involve the furnishing of technical and financial assistance to soil and moisture conservation districts established under State laws. The development of operations through such legally constituted organizations will be the permanent approach to the problem of soil conservation on a national scale.

Up to the present the operation of demonstration soil conservation projects has constituted the main field of activity of the Soil Conservation Service, but while demonstration projects are necessary as a continuing activity, it is realized that erosion throughout the United States cannot successfully be controlled upon a purely demonstration basis alone. Even if it were possible to extend demonstrations to all lands needing treatment, the cost to the Federal Government might be prohibitive. Consequently it is planned ultimately to shift the emphasis from demonstration projects to cooperative soil conservation district projects, carried on to a large extent at State and local expense with equitable contributions by the Federal Government.

The procedure involves the establishment by the Federal Government of requirements to be met by cooperating conservation districts or soil conservation associations covering such matters as the extent of State and local contributions, the maintenance of control works, and the legal limitations upon

the use of land to insure the success of applied measures.

In return for the establishment of the necessary regulations and the making of the necessary contributions upon the part of a conservancy district, the Federal Government will make certain contributions in technical services and monies in a manner somewhat equivalent to (a) the basis upon which Federal-aid highways are carried out and (b) cooperation with States under the Clark-McNary Act for fire protection of forests.

Operation of erosion nurseries for the propagation of plants for use in soil and moisture conservation operations.--Operations under this project contemplate the establishment and maintenance of an adequate number of permanent nurseries for the purpose of gathering together and producing native and immigrant plants valuable for erosion control. These plants will be used on the various control projects of the Soil Conservation Service. This work is essential in order that the various demonstrations and other projects of the Soil Conservation Service may be supplied with adaptable planting stock adequate to effect control of erosion.

During the next year it is expected that the production of trees will approximate 500,000,000. Many of the species which are most valuable for erosion control, and which also have great economic value, cannot be grown in the nurseries in less than two or three years; hence it is necessary not only that sufficient nursery areas be operated to produce 500,000,000 usable trees by the fall of 1936 but also that enough seed be sown this year to get the desirable 2 and 3-year species under way. It is planned to have nearly a billion trees and shrubs under propagation in the nurseries on June 30, 1936.

The program includes the collection and use of little-used species of plants and their seeds and the quantity collection and production of those species which occur abundantly. Grass nurseries will play an important part in the erosion-control program. There is acute need for the establishment of vegetation on thousands of acres of abandoned land. Because of climatic conditions and soil variations, the number of useful species of grasses is quite limited. We have just passed at least three unfavorable years in the Great Plains region where the grasses have been largely killed out in wide localities and the land greatly overgrazed. These areas need immediate attention in the way of reseeding and proper crop management to prevent them from becoming sources of dust storms. The procedure will be to study methods of reestablishing vegetation on these lands. It is planned to bring together in the nurseries all species of promising native grasses and other vegetation from the dry-land areas. Species of grasses introduced by the Bureau of Plant Industry from foreign countries will also be grown in the nurseries. These plants will be studied as to their drought resistance, soil adaptability, rates of seeding, mixtures to use, requisite cultural methods, feed values, and ecological characteristics. These studies will form the basis for recommendations as to their use in field plantings.

The program also includes charting the approximate boundaries of the range (habitat) of all valuable species to facilitate the planting of those types which are most adapted to the control of erosion and the areas where they are to be used.

Desirable species of grasses occurring in thin stands and producing little seed will be planted on tillable land, and methods of culture will be developed, if possible, leading to quantity production of seed for erosion-control purposes. It is expected that approximately one and a half million pounds of native grass seeds will be collected during the next fiscal year.

Technical cooperation with Emergency Conservation Work (CCC camps) and other Federal and State agencies.--The work to be carried on under this project involves the furnishing of technical supervision and planning service to other Federal and State agencies, principally the CCC camps. This procedure is in accordance with the provision of the Soil Conservation Act which reads "and the Secretary of Agriculture from now on shall coordinate and direct all activities with relation to soil erosion". In accordance with this provision, it becomes incumbent upon the Soil Conservation Service to cooperate with other agencies in directing and coordinating erosion-control activities. This is necessary for adequate coordination of all erosion-control work. Through the furnishing of technical direction and supervision by the Soil Conservation Service, the other agencies may so conduct and adjust their operations as to accomplish the control of erosion without additional operation expense to the Federal Government.

By this procedure it is possible to obtain widespread and effective application of erosion-control methods without direct expenditure of funds by the Soil Conservation Service for labor and materials. Close cooperation is maintained with Emergency Conservation Work (CCC camps), of which a large number have been placed under the supervision of the Soil Conservation Service. The work of these camps constitutes an important factor in the national program of the Soil Conservation Service. The supervision of these camps, in order that this work may be of most effective and economical character, is a direct responsibility of the Service. Any failure of the camps to carry out the most effective type of work reflects directly upon the national program.

Funds available from ECW sources for the operation of ECW camps are inadequate to furnish sufficient technical supervision for the coordinated program of erosion control required by the Soil Conservation Service in its operations. Unless the Soil Conservation Service can provide supplementary technical supervision with funds from other than ECW sources, the camps will inevitably fail to carry out work of adequate standards and the work will thus reflect unfavorably on the standing of the soil conservation program as a whole.

Other agencies with whom cooperation will be maintained include the Grazing Administration, Bureau of Indian Affairs, Resettlement Administration, National Park Service, Forest Service, Puerto Rico Reconstruction Cooperation, Farm Credit Administration, and the Agricultural Extension Service.

Typical of the type of cooperation which will be maintained is that with the Bureau of Indian Affairs. That bureau has under its supervision the control of large areas of Indian lands subject to erosion for the care of which the Federal Government is responsible. The bureau has available considerable quantities of ECW labor which could be used in erosion-control work. There are also many Indian communities which would be willing to contribute labor and materials for the control of erosion in the areas upon which they are dependent.

Another contribution which the Bureau of Indian Affairs can make to the control of erosion in the areas under its jurisdiction is through the carrying out of proper land-management plans and measures for the control of overgrazing.

Through contribution of a comparatively small amount of technical supervisory and planning personnel by the Soil Conservation Service, the Bureau of Indian Affairs can control erosion on very large areas by the methods briefly mentioned above. However, unless the Soil Conservation Service does cooperate with the Bureau of Indian Affairs through the contribution of technical assistance, that bureau will be unable to proceed with its program for the control of soil erosion on Indian reservations, since it does not itself possess the necessary technical facilities.

Work to be carried on in cooperation with Federal agencies other than the Bureau of Indian Affairs would include the preparation of soil-conservation surveys and of plans for land-use reorganization to control erosion. Other agencies concerned are the Resettlement Administration, the Grazing Administration, and the Farm Credit Administration. The Farm Credit Administration is now borrowing a number of Soil Conservation Service specialists to work out farm-management plans on land in which they are interested.

In addition to cooperating with strictly Federal agencies, it is planned to cooperate with the State extension services in employing personnel to supervise erosion-control activities carried out by cooperative erosion-control associations, counties, and similar organizations.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
National Industrial Recovery Act:		
Transferred from Department of Interior for soil-erosion operations, demonstrations, and information	$8,153,778(a)	$333,642
Transferred from Bureau of Plant Industry for construction of erosion-control nurseries for growing soil-protecting trees, bushes, and other plants	485,189	36,185
Transferred from Bureau of Agricultural Engineering for soil-erosion physical improvements	4,965	---
Total, National Industrial Recovery Act	8,643,932	369,827
Emergency Appropriation Act, 1935: Public Works Administration allotment transferred from Department of Interior for soil-erosion control operations, demonstrations, and information	2,112,926	1,887,074
Emergency Relief Appropriation Act of 1935:		
Administrative expenses in connection with a national program of soil conservation	---	6,500,000
For a national program of soil conservation	---	21,000,000
Total, Emergency Relief	---	27,500,000
Puerto Rico Trust Fund (Processing Taxes, Sugar):		
Soil-erosion survey and investigations in Puerto Rico, authorized by Sec. 15(f), Agricultural Adjustment Act, as amended (Puerto Rico Tax Fund Order No. 6)	---	82,000
Total, Emergency Funds (Direct Allotments)	10,756,858	29,838,901

(a) This amount is reported in error in the Budget schedules as $8,577,340, the difference ($423,562) being a duplication of amount reported as transferred from the Bureau of Plant Industry under the schedule for erosion-control nurseries.

PASSENGER CARRYING VEHICLES

The authorization for the purchase of passenger-carrying vehicles contemplates an expenditure of $62,500 for the purchase of new passenger carrying vehicles. This expenditure will make possible the replacement of 150 worn-out vehicles with 150 new vehicles. This replacement will be necessary because it will no longer be possible to operate this number of old vehicles without excessive repair costs.

All the new machines to be purchased are needed in order that field work now under way may be continued without handicap due to lack of transportation.

MISCELLANEOUS

(a) INTERCHANGE OF APPROPRIATIONS

This paragraph permits interchange, within the limitations indicated, of appropriations for the miscellaneous expenses of the work of any bureau, division, or office. It has been carried in the bill for many years, and constitutes an essential administrative arrangement, especially when emergencies arise. As called for in the proviso, a statement of the transfers made under this authority during the past fiscal year is inserted in the Budget under this item.

(b) WORK FOR OTHER DEPARTMENTS

Under this item and section 601 of the Economy Act the Department of Agriculture renders services, such as inspections, analyses, and tests of food and other products, to other Government agencies upon request, with transfer of appropriations to the Department of Agriculture in such amounts as may be necessary for the performance of the work. Services of the character indicated are rendered to the Army, Navy, Marine Corps, the Veterans' Administration, the Post Office Department, and other Government agencies. In this way the most advantageous use is made, for the benefit of the Government as a whole, of the various services which the Department of Agriculture is in position to render.

(c) EXPERIMENTS IN LIVESTOCK PRODUCTION IN SOUTHERN UNITED STATES

Appropriation Act, 1936	$39,900
Budget Estimate, 1937	- - -
Decrease	39,900 (a)

(a) This is an apparent reduction only, allotments having been made to the following items in 1936, which are being carried forward by means of transfers in the estimates for 1937, with the discontinuance of this appropriation as a separate item:

"Animal Husbandry," Bureau of Animal Industry	$25,840
"Dairy Investigations," Bureau of Dairy Industry	10,415
"Forage Crops and Diseases," Bureau of Plant Industry	3,645
Total	39,900

(d) PASSENGER-CARRYING VEHICLES

The general authorization for the maintenance, operation, and repair of motor-propelled and horse-drawn passenger-carrying vehicles is continued for the next fiscal year. Specific limitations on expenditures for purchase of such motor vehicles appear in the text pertaining to the several bureaus requiring purchase of such vehicles, as shown in the concluding paragraph of the language for each bureau.

Authorization is included for maintenance and operation of one passenger vehicle for official use of the Agricultural Adjustment Administration.

(e) SOIL-EROSION INVESTIGATIONS

Appropriation Act, 1936	$281,362
Budget Estimate, 1937	- - -
Decrease	281,362 (a)

(a) This is an apparent reduction only, $182,210 having been allotted to the Soil Conservation Service in 1936 under the provisions of the Act of April 27, 1935 (Public No. 46, 74th Congress, 49 Stat., pp. 163,164), and $99,152 to the Forest Service. These allotments are carried forward by means of transfers to the following items in the estimates for 1937, with the discontinuance of "Soil-Erosion Investigations" as a separate item:

"Soil and Moisture Conservation and Land Use Investigations," Soil Conservation Service	$182,210
"Forest Influences," Forest Service	99,152
Total	281,362

(f) BELTSVILLE RESEARCH CENTER

Appropriation Act, 1936	$75,000
Budget Estimate, 1937	125,000
Increase	50,000

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)	Increase
Beltsville Research Center	- - -	$75,000	$125,000	+$50,000 (1)

(1) In general, it is the object of the Department, in the interest of the most effective and economical administration, to recommend appropriations, as the financial situation permits, sufficient utlimately to cover directly the general management and maintenance of the property comprising the Beltsville Research Center and to have the appropriations for the respective subject-matter research and other work conducted there bear the cost of direct service necessitated by these specific activities, either through reimbursment of the central management of the station by transfers, advances of funds, or otherwise. Because of the extent and nature of the facilities involved, the administrative problems to be worked out, which are difficult in view of the number of organizations conducting work at the Center, the varied types of activity, the complexities of Government procedure, and other factors, several years operating experience will be required before a perfected system of management can be fully established. In the meantime, it is urgently necessary to further strengthen the facilities of central management of the station, and with this in mind an increase of $50,000 is recommended in this appropriation for 1937. New problems are encountered daily in the handling of the work at Beltsville, so that any plan of operation or expenditure must be extremely flexible. Subject to changes which may be necessary to provide effectively for the most urgent needs arising during 1937, the increase of $50,000 is estimated on the following basis:

(a) $21,680 for additional personnel urgently needed to provide for proper management and service functions in connection with the most effective utilization of the land and facilities now available at Beltsville. These would include additional supervisory employees; an agronomist to supervise general farming operations, as distinguished from experimental work; library assistance to meet the need for library service in connection with the research work; clerical and stenographic assistance for the central office; telephone operators; relief patrol engineering services; and other personal services to meet the needs of the center.

(b) $28,320 for general expenses to meet critical needs of the Research Center, including the purchase of chemicals required for the treatment of sewage, purchase and installation of a gasoline-driven pump for emergency water pumping service, electrical transformers for replacement and emergency use, purchase and installation of a gasoline operated generator, foam-type fire extinguishers for the boiler plants, extension of the existing water system for service and fire protection, purchase of materials for building low-cost roads and other needs of this general type.

CHANGES IN LANGUAGE

The phrase "services and supplies and materials" has been changed to read "services, supplies, equipment, and materials" in order to clarify the meaning of the text. Some difficulty has been experienced because of the classification of certain items as "equipment" rather than "supplies" or "materials", and in order to avoid conflict in the interpretation of the authorization the insertion of the word "equipment" appears necessary and desirable. It is not contemplated that the character of the operations performed will be in any way altered by this change.

The phrase "and two motorcycles" has been omitted because experience has indicated that this form of transportation cannot be used successfully until the road program has been developed.

WORK DONE UNDER THIS APPROPRIATION

Operations are conducted at the Beltsville Research Center by five bureaus of the Department of Agriculture and two bureaus of the Department of Commerce. The diversity of interests of these organizations necessitates a general management of the plant and facilities to insure the most effective utilization of the property; to provide for the satisfactory handling of the problems of business management and general operation; for the development and maintenance of all utilities, such as roads, water, power, telephone, and sewage disposal; for the maintenance of buildings, fixed equipment, fencing, and similar physical improvements; to provide custodial service, fire protection, mechanical service, and guard and patrol service; and to operate heating plants and perform farm operations.

The director of the Center serves as the representative of the Secretary of Agriculture and of the respective bureau chiefs and in this capacity provides for the development and management of the land, physical improvements, and utilities, so as to most effectively promote the functional efficiency of the technical organizations. All units represented have special operating problems, all are mutually interested in the development and maintenance of

in common facilities, and to a minor degree there exists some conflict of interests. The general administrative organization of the Center provides for the correlation of the work in the interests of all operating organizations. The cost of labor and materials required for the development and general operation of the common facilities is paid as far as possible from this appropriation, but expenditures made for the sole benefit of specific projects are reimbursed from the bureau funds.

PASSENGER-CARRYING VEHICLES

The estimate for the purchase of passenger-carrying vehicles represents a reduction of $400 from the amount allowed for the fiscal year of 1936 and contemplates the procurement of one new vehicle without any exchange provision. Because of the very great distances between the units operating at the Center, the problem of transportation is particularly acute. The official attached to the Center who is directly responsible for the supervision of the operating facilities is required to supervise and inspect the work conducted, and for this purpose it is of the utmost importance that he be provided with an automobile. The use of this vehicle will be confined almost exclusively to the Center property.

(g) INTERNATIONAL PRODUCTION CONTROL COMMITTEES

This item extends during the fiscal year 1937 the authority contained in the 1936 Agricultural Appropriation Act, enabling the Secretary of Agriculture to expend not to exceed $10,000 from Agricultural Adjustment Administration funds to cover United States membership expenses of the International Wheat Advisory Committee or like bodies concerned with the reduction of agricultural surpluses, etc.

The continuation of this authorization is recommended to make clear that the appropriations under the Agricultural Adjustment Act are available for paying the share of the United States in, and the expenses of sending representatives to international committees and similar bodies concerned with matters relating to the reduction of production of agricultural commodities or other international cooperation necessary in connection with carrying out the policies of the Agricultural Adjustment Act. It is of great value to this country that the international cooperation on wheat production and exports started during 1934 be continued in the future, and the item of $10,000 for covering our share of the budget for such international cooperation is infinitesimal compared with the benefits of continuing many millions of acres in wheat for export, not to mention the further advantage that an improved world wheat situation will have on general world economic conditions.

(h) ELIMINATION OF DISEASED CATTLE, ETC.

Appropriation Act, 1936	- - -
Sec. 37 of Act of August 24, 1935 (Public No. 320, 74th Congress - 49 Stat., pp. 750-793)	$10,000,000
Budget Estimate, 1937	17,500,000
Increase	7,500,000

PROJECT STATEMENT

Projects	1936 (Estimated)	1937 (Estimated)	Increase or decrease
1. Elimination of diseased cattle, etc.			
Eradicating tuberculosis in cattle	$2,500,000	$ 1,500,000	-$1,000,000(1)
Combating Bang's disease in cattle	4,000,000	11,350,000	+ 7,350,000(2)
Experimentation in diseases of livestock, etc	150,000	150,000	- - - (3)
Total	6,650,000	13,000,000	+ 6,350,000
2. Purchase and removal of surplus dairy products	350,000	7,500,000	+ 7,150,000(4)
Total obligations	7,000,000	20,500,000	+13,500,000
3. Estimated balance of 1936 appropriation available for obligations in 1937	+3,000,000	- 3,000,000	-6,000,000
Total appropriation	10,000,000	(a)17,500,000	+ 7,500,000

(a) Sec. 37 of the Act of August 24, 1935 authorized a total appropriation of $40,000,000 to enable the Secretary of Agriculture to eliminate diseased cattle, including cattle suffering from tuberculosis and Bang's disease, and to make payments to owners with respect thereto, for scientific experimentation and efforts to eradicate disease in cattle, and for the purposes of the Act of April 7, 1934 (Jones-Connally Act), including removal of surplus products. Of this $40,000,000 authorization, $10,000,000 was actually appropriated by the Act of August 24, 1935 (referred to above); of which sum it is estimated that $7,000,000 will be obligated during the fiscal year 1936, leaving a balance of $3,000,000 to be applied to the fiscal year 1937. With the new appropriation of $17,500,000 recommended in the Budget for 1937, therefore, it is estimated that the total available for that year will be $20,500,000, as indicated in the foregoing Project Statement.

(1) Eradicating tuberculosis.--The Budget estimates (all sources) provide as follows for eradicating tuberculosis in cattle:

Source of funds	Obligated, 1935	Estimated obligations, 1936	Estimated obligations, 1937
Regular Appropriation, B.A.I.....	$1,966,490	$2,603,116	$1,500,000
Jones-Connally Act.....	9,500,000	4,250,000	- - -
Sec. 37, Act of Aug. 24, 1935.....	- - -	2,500,000	1,500,000
Total.....	11,466,490	9,353,116	3,000,000

This activity is carried on by the Bureau of Animal Industry. It consists of a nationwide campaign, in cooperation with the States, under a uniform plan to eliminate bovine tuberculosis. This campaign was launched as a Federal-aid project after an extensive survey showed the disease was spreading. The States and livestock owners have looked to the Federal Government for leadership in this work since its inauguration, and desire that this assistance be continued, as many failures occurred when independent efforts were employed. Approximately $9,000,000 was appropriated last year by the various States to assist in this campaign. The appropriation has been divided to provide for operating expenses for supervision and indemnity for animals slaughtered. Emergency funds were first made available in 1935 in order to bring about the elimination of tuberculosis more quickly than it could be accomplished by the use of the regular appropriations available for this purpose. This is being done by greatly expanding and intensifying the campaign. The work consists of administering the tuberculin test to cattle to determine whether they are affected with tuberculosis and the removal of the reactor animals. All animals classified as reactors are disposed of by slaughter under Federal or State supervision. Owners are compensated in part for the animals destroyed, in accordance with rules and regulations prescribed by the Secretary of Agriculture.

(2) Combating Bang's disease.--The Budget estimates provide as follows for combating Bang's disease:

Source of funds	Obligated, 1935	Estimated obligations, 1936	Estimated obligations, 1937
Jones-Connally Act.....	$10,687,175	$14,467,825	- - -
Sec. 37, Act of Aug. 24, 1935.....	- - -	4,000,000	$11,350,000
Total.....	10,687,175	18,467,825	11,350,000

This activity is carried on by the Bureau of Animal Industry. The first nationwide effort to eliminate this malady, which in recent years has become one of major economic importance both to the dairy and beef cattle industries, was during 1935 under an allotment to the Bureau of Animal Industry by the Agricultural Adjustment Administration from funds provided by the Jones-Connally Act. The object of this work is to aid the cattle producers in freeing their cattle from Bang's disease (contagious abortion). This is accomplished by eliminating cattle which react to the blood test for the disease. The work is conducted cooperatively in the various States and is voluntary on the part of the owners, those desiring to participate signing an agreement with the Secretary which

specifies the conditions under which animals are to be tested, how the herd is to be handled, and the disposition to be made of reactors. The work consists of collecting blood samples from cattle in herds submitted for the test by the owners, the testing of samples in the field and in laboratories to determine whether the animals are reactors to the test and the removal of reacting animals from the herd. These animals are disposed of by slaughter under Federal or State supervision. Owners are compensated in part for the animals destroyed, in accordance with rules and regulations prescribed by the Secretary of Agriculture.

(3) Experimentation in diseases of livestock.--In addition to the items for eradicating tuberculosis and combating Bang's disease, $150,000 is estimated for 1937 to continue experimentation in diseases of livestock, which is being carried on during 1936 by the Bureau of Animal Industry. The project includes a study of alleged remedies for abortion disease to determine whether they possess preventive or curative value. The studies of vaccines for abortion disease in cattle, especially under field conditions, are being broadened and intensified. Experimental work is also being carried on with mastitis.

(4) Purchase and Removal of Surplus Dairy Products.--During the fiscal year ending June 30, 1937 it is proposed that $7,500,000 be appropriated for the purchase of surplus dairy products by the Agricultural Adjustment Administration.

On the basis of probable numbers of milk cows, feed conditions, prices of dairy products and feeds and the like, it appears that milk production during the year ending June 30, 1937 will be the highest on record and will probably result in dairy product prices substantially below parity prices for such products. At the same time, control of the production of dairy products should be undertaken only as a last resort, primarily because of the general undesirability of reducing supplies of such an important item in the diet and because the dairy industry is so widespread and the problems are so complex that the application of the allotment and benefit payment type of program in effect with respect to certain other major agricultural industries would be extremely difficult to administer. It appears desirable, therefore, to increase dairy product prices through a program designed to remove temporary surpluses during the flush production season and thus to effectuate the policy of Congress as stated in the Act. During the past two years surplus stocks of dairy products have been purchased by the Agricultural Adjustment Administration with funds made available under authorization of the Jones-Connally Act. These funds are not available after June 30, 1936. It is therefore recommended that $7,500,000 be made available for such purchase during the fiscal year ending June 30, 1937.

(i) FOREST ROADS AND TRAILS

Appropriation Act, 1936.....	$7,082,600
Budget Estimate, 1937.....	(a)

(a) Estimates relating to this activity are contained in the general public works section of the 1937 Budget.

Following is a statement of emergency funds for forest road and trail work, fiscal years 1935 and 1936:

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
Public Works Allotments (National Industrial Recovery Act):		
Forest highways	$638,145	$170,230
Forest roads, trails, bridges, and related projects	2,349,876	292,982
Total, Public Works Allotments (N.I.R.)	2,988,021	463,212
Emergency Appropriation, 1935:		
Forest roads and trails, Emergency construction:		
Forest highways	7,000,000	- - -
Forest road development	3,000,000	- - -
Total, Emergency Appropriation Act, 1935	10,000,000	- - -
Total, Emergency Funds (Direct Allotments)	12,988,021	463,212

(j) COTTON PROCESSING TAX

The following paragraph, carried in the Agricultural Appropriation Act for 1936 is omitted, since this is now continuing legislation:

"Sec. 2. The processing tax authorized by Public Act numbered 10, Seventy-third Congress (48 Stat. 31), when levied upon cotton shall be payable ninety days after the filing of the processor's report: Provided, That, under regulations to be prescribed by the Secretary of the Treasury, the time for payment of such tax upon cotton may be extended, but in no case to exceed six months from the date of the filing of the report."

(k) PAYMENTS TO EMPLOYEES IN FOREIGN COUNTRIES

Out of special appropriations provided in other Acts, allotments of $88,300 for 1936 and $79,000 for 1935 were made to the Department of Agriculture for carrying into effect the provisions of the Act of March 26, 1934, authorizing annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to the appreciation of foreign currencies in their relation to the American dollar. The 1937 Budget makes no provision for the continuance of this item under the Department of Agriculture. It is understood, however, that in the event a general appropriation is made for such purposes provision for the Department of Agriculture will be included.

Trust Account

(1) MISCELLANEOUS CONTRIBUTED FUNDS, DEPARTMENT OF AGRICULTURE

This account provides for miscellaneous contributed funds received by the Department of Agriculture from States, local organizations, individuals, etc., deposited in the Treasury of the United States, and made available for carrying out various cooperative agreements. The amounts obligated thereunder during the fiscal year 1935 and estimated for 1936 and 1937 are:

1935.....	$142,859,60
1936.....	140,073.00
1937.....	57,065.00

AGRICULTURAL ADJUSTMENT ADMINISTRATION

(a) EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES, DEPARTMENT OF AGRICULTURE

Appropriation, 1936	$92,111,741.47
Budget Estimate, 1937	- - - -

Sec. 32 of the Act of August 24, 1935 (49 Stat., pp. 750-793) provides that for each fiscal year, beginning with the fiscal year 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31 preceding the beginning of each such fiscal year shall be maintained in a separate fund to be used by the Secretary of Agriculture to carry into effect the provisions of this section. No estimate is included under this fund in the Budget for 1937.

(b) SALARIES AND EXPENSES, AGRICULTURAL ADJUSTMENT ADMINISTRATION (1)

(1) The sum of $100,000,000 was appropriated in accordance with the provisions of Section 12 (a), Title I, of the Agricultural Adjustment Act, approved May 12, 1933 (Public No. 10, 73d Congress, 48 Stat., p. 38), as amended by the Act of August 24, 1935 (Public No. 320, 74th Congress), to be available to the Secretary of Agriculture for administrative expenses under this title and for payments authorized to be made under Sec. 8 of the Act. This $100,000,000 appropriation remains available until expended.

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)
Obligated:			
General administration	$5,054,142(2)	$8,349,290(2)	$5,294,827(2)
1934 appropriation available for obligation in 1935	97,412,192(3)	- - -	- - -
1934 appropriation available for obligation in 1936	- - - -	92,358,050	- - -
1934 appropriation available for obligation in 1937	- - -	- - -	84,008,760
Unobligated balance	92,358,050	84,008,760	78,713,933

(2) Includes funds transferred to other Government agencies, as follows:

Agency	1935	1936	1937
Office of the Secretary	$228,854	$480,250	$457,770
Office of the Solicitor	143,868	485,010	485,010
Office of Information	2,454	15,320	15,320
Library	1,317	3,240	3,240
Extension Service	14,000	8,400	8,400
Bureau of Animal Industry	---	975	---
Bureau of Agricultural Economics	117,553	174,377	174,377
Bureau of Home Economics	1,986	---	---
Bureau of Labor Statistics (Department of Labor)	5,766	6,000	6,000
Total funds transferred	515,798	1,173,572	1,150,117

(3) Of the $100,000,000 appropriation, $17,374 was obligated in 1933 and $2,570,434 in 1934, leaving a balance of $97,412,192 available for obligation in 1935.

WORK DONE UNDER THIS APPROPRIATION

This appropriation is provided by Section 12 (a) of the Agricultural Adjustment Act, as follows:

> "Section 12 (a). There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000 to be available to the Secretary of Agriculture for administrative expenses under this title and for payments authorized to be made under Section 8. Such sum shall remain available until expended."

The only expenditures which have been made, or which it is anticipated will be made, from this appropriation in the fiscal years 1936 or 1937 are for administrative expenses, inasmuch as it is anticipated that sufficient funds from other appropriations will be available to cover all rental and benefit payments which will be made during those two fiscal years.

Should the proceeds of processing and other relating taxes be insufficient ultimately to cover all rental and benefit payments, the unobligated balance of this appropriation would be available for such rental and benefit payments. This appropriation is considered, therefore, partially in the nature of a reserve to be used in such a contingency, and only such administrative expenses are paid from it as are not properly chargeable to other appropriations explained under subsequent titles.

The principal activities of the Administration currently being financed from this appropriation include the planning of adjustment programs, administrative supervision of such programs, formulation and administration of marketing agreements, and protection of consumers' interests, pursuant to the declared policy of Congress, as stated in the Agricultural Adjustment Act.

The principal organization units of the Administration, the salaries and expenses of which are paid in whole or in part from this appropriation, are as follows:

Office of the Administrator
Office of Business Management
Division of Consumers' Counsel
Division of Information
Division of Finance
Division of Program Planning
Division of Marketing and
  Marketing Agreements.

Permanent Indefinite Appropriation

(c) ADVANCES TO AGRICULTURAL ADJUSTMENT ADMINISTRATION (1)

Appropriation, 1936	$497,843,000
Budget Estimate, 1937 ..	498,342,000
Increase	499,000

(1) This is the appropriation made by Section 12 (b) of the Agricultural Adjustment Act, explained below under "Work Done Under This Appropriation."

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Effectuating adjustment in acreage or adjustment in the production for market, or both	$579,722,081	$412,613,423	$415,220,938
Removal of agricultural surpluses.	1,039,119	1,647,146	1,000,000
Refunds of taxes	32,063,189	51,000,000	51,000,000
Administration	22,630,522	26,582,431	25,121,062
Administration of Cotton Act of 1934	3,750,000	6,000,000	6,000,000
Total obligations	639,204,911(3)	497,843,000(3)	498,342,000(3)
Difference between obligations and Budget estimate	191,817,517	- - -	- - -
Total estimate or appropriation	831,022,428	497,843,000	498,342,000(4)

(3) Includes funds transferred to other agencies and activities, as follows:

Agency or activity	1935	1936	1937
Bureau of Internal Revenue (Treasury Department)	$35,809,691	$56,020,500	$56,000,000
Office of the Treasurer (Treasury Department)	100,238	150,000	150,000
Division of Disbursements (Treasury Department)	699,405	650,000	650,000
Customs Service (Treasury Department)	---	100,000	100,000
Extension Service	9,258,253	8,194,950	8,194,950
Bureau of Plant Industry	2,495	---	---
Forest Service	250	---	---
Bureau of Chemistry and Soils	915	---	---
Bureau of Agricultural Economics ..	672,369	626,217	626,217
Total, Transfers to Cooperating Agencies	46,543,616	65,741,667	65,721,167
Administration of Cotton Act of 1934	3,750,000	6,000,000	6,000,000
Total, funds transferred	50,293,616	71,741,667	71,721,167

(4) The total of $498,342,000 estimated for the fiscal year 1937 includes only those programs contemplated at this time and is subject to change in the event other adjustment programs are undertaken after hearings and finding by the Secretary of Agriculture of the necessity therefor.

WORK DONE UNDER THIS APPROPRIATION

This appropriation is provided for by Section 12 (b) of the Agricultural Adjustment Act, as follows:

"Section 12 (b). In addition to the foregoing, for the purpose of effectuating the declared policy of this title, a sum equal to the proceeds derived from all taxes imposed under this title is hereby appropriated to be available to the Secretary of Agriculture for (1) the acquisition of any agricultural commodity pledged as security for any loan made by any Federal agency, which loan was conditioned upon the borrower agreeing or having agreed to cooperate with a program of production adjustment or marketing adjustment adopted under the authority of this title; and (2) the following purposes under part 2 of this title: administrative expenses, payments authorized to be made under section 8, and refunds on taxes. The Secretary of Agriculture and the Secretary of the Treasury shall jointly estimate from time to time the amounts, in addition to any money available under subsection (a), currently required for such purposes; and the Secretary of the Treasury shall, out of any money in the Treasury not otherwise appropriated, advance to the Secretary of Agriculture the amounts so estimated. The

amount of any such advance shall be deducted from such tax proceeds as shall subsequently become available under this subsection."

The major portion of the funds acquired for effectuating the declared policy of the Agricultural Adjustment Act are provided for by this appropriation. These funds are used for rental and benefit payments, removal of agricultural surpluses, refunds of taxes, and administrative expenses.

Estimated obligations in the fiscal year ending June 30, 1937, include rental and benefit payments with respect to cotton, wheat, corn, hogs, tobacco, sugar, peanuts, rice, and rye. There are also included estimated obligations for the completion of the program for the removal of surplus peanuts (diversion payments) and estimated obligations for administration incurred directly in connection with the adjustment of production programs referred to.

Refunds of taxes collected under the Agricultural Adjustment Act are made by the Bureau of Internal Revenue, to whom funds are transferred for that purpose from this appropriation. These include refunds of taxes paid on commodities sold for charitable purposes or exported and refunds with respect to floor stocks on which taxes have been paid upon the termination or reduction in the rate of processing taxes.

Special Accounts

(d) PROCEEDS FROM PROCESSING TAXES, AGRICULTURAL ADJUSTMENT ADMINISTRATION

This fund was established under Section 12 (b) of the Agricultural Adjustment Act for the receipt of proceeds from processing taxes.

An amount of $8,000,000 has been warranted from this fund for the purchase of surplus beet sugar, as explained under the heading, "Purchase of Surplus Sugar from Processing Taxes, Agricultural Adjustment Administration." The remaining proceeds from processing taxes are available, as required, to offset advances made to the Secretary of Agriculture pursuant to Section 12 (b) of the Act.

(e) PURCHASE OF SURPLUS SUGAR FROM PROCESSING TAXES, AGRICULTURAL ADJUSTMENT ADMINISTRATION (JONES-COSTIGAN ACT)

Out of a total of $8,000,000 warranted for this purpose, only $365,536 has actually been expended for sugar purchases. This amount was obligated in the fiscal year 1935.

WORK DONE UNDER THIS APPROPRIATION

This fund was established by warranting $8,000,000 in the fiscal year 1935 from the appropriation, "Proceeds from Processing Taxes, Agricultural Adjustment Administration," to enable the Secretary of Agriculture to carry out the provisions of Section 16 (d) of the Agricultural Adjustment Act, as amended by Section 17 of the Jones-Costigan Act of May 9, 1934, authorizing the purchase

of surplus beet sugar produced in the United States beet-sugar area. This section provides that out of such proceeds of taxes as are available therefor the Secretary may purchase not to exceed 300,000 tons of sugar, raw value, from the surplus stocks of direct consumption beet sugar. The amount of $8,000,000, accordingly, has been warranted from available proceeds of processing taxes to enable the Secretary to administer this provision, as necessary.

(f) GENERAL EXPENSE, AGRICULTURAL ADJUSTMENT ADMINISTRATION (JONES-CONNALLY ACT) (a)

(a) The sum of $150,000,000 was appropriated by the Act of May 25, 1934 (48 Stat., p. 805) to carry out the provisions of the Act entitled "An Act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes", approved Apr. 7, 1934 (48 Stat., p. 528), pursuant to the authorizations contained in sections 2 and 6 of the Act of Apr. 7, 1934; $100,000,000 to be used for the purposes of the Agricultural Adjustment Act, as amended, and $50,000,000 for the purposes specified in section 6 of the Act of Apr. 7, 1934. The $150,000,000 appropriation remains available until June 30, 1936, as provided by Sec. 37 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved Aug. 24, 1935 (49 Stat., pp. 775-776).

PROJECT STATEMENT

Projects	1935	1936 (Estimated)
Obligated:		
Removal of agricultural surpluses:		
Emergency cattle purchases	$63,136,976	$95,000
Purchase of dairy and beef products for distribution for relief purposes	10,795,602	35,204,398
Eradication of disease in cattle	20,577,175	19,327,825
Total obligations	94,509,753(1)	54,627,223(1)
1935 appropriation obligated in 1934	+ 863,024	------
1935 appropriation obligated in 1936	+54,627,223	------
Total appropriation	150,000,000	------

(1) Includes funds transferred to other Government agencies, as follows:

Agency	1935	1936
Division of Disbursements (Treasury Department)	$37,600	---
Extension Service	---	$60,000
Bureau of Animal Industry	21,344,682	19,327,825
Bureau of Agricultural Economics	26,778	15,485
Bureau of Home Economics	---	25,000
Total funds transferred	21,409,060	19,428,310

WORD DONE UNDER THIS APPROPRIATION

This work is conducted under appropriations provided by the Act of May 25, 1934, to enable the Secretary of Agriculture to carry out the purposes of the Jones-Connally amendment to the Agricultural Adjustment Act. The projects conducted thereunder include:

1. Removal of agricultural surpluses:

(a) Emergency cattle purchases.-- This project involves expenditures for the purchase of surplus cattle in the drought-striken areas and expenditures for the removal of surplus dairy products throughout the country generally. All such purchases are donated by the Secretary to the Federal Surplus Relief Corporation for relief distribution.

(b) Purchase of dairy and beef products for distribution for relief purposes.-- Section 6 of the Jones-Connally Act authorizes the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for relief purposes.

2. Eradication of disease in cattle:

(a) Eradicating bovine tuberculosis.-- This activity is carried on by the Bureau of Animal Industry in cooperation with the Agricultural Adjustment Administration and consists of a nationwide campaign to eliminate bovine tuberculosis. Expenditures consist of indemnities paid to owners of condemned cattle and operating expenses connected with the campaign, as set forth under the estimates of the Bureau of Animal Industry.

(b) Combating Bang's disease and other diseases of cattle.-- This project is also carried on by the Bureau of Animal Industry in cooperation with the Agricultural Adjustment Administration, and provides for the payment of indemnities to cattle owners and for general administrative expenses while the major part of the work is directed to the eradication of Bang's disease, $1,000,000 of the total fund has been allocated for combating mastitis and other diseases. (See estimates of Bureau of Animal Industry).

(g) ADMINISTRATION OF THE TOBACCO ACT OF JUNE 28, 1934 AS AMENDED AS OF AUGUST 24, 1935

Appropriation, 1936 ..... $712,985
Budget Estimate, 1937 712,985

PROJECT STATEMENT

Project	1935	1936 (Estimated)	1937 (Estimated)
General administration	$449,947(1)	$712,985(1)	$712,985(1)

(1) Includes funds transferred to other Government agencies, as follows:

Agency	1935	1936	1937
Bureau of Internal Revenue (Treasury Department)	$113,616	$250,000	$250,000
Extension Service (Department of Agriculture)	151,000	229,000	229,000
Total	264,616	479,000	479,000

WORK DONE UNDER THIS APPROPRIATION

Funds for this appropriation are provided by collections of taxes imposed under the Tobacco Act (Public No. 483, 73d Congress) approved June 28, 1934, as amended as of August 24, 1935. Such tax collections are estimated at substantially more than the expenditures involved in the administration of the Act. Administrative expenses estimated for the fiscal year 1936 involve determination of the amount of tax payment warrants to which each tobacco producer is entitled, distribution of such warrants, collection of taxes by the Bureau of Internal Revenue, and other necessary expenditures to carry out the Act.

Tax collections under this Act have been made available also to the Secretary of Agriculture for rental and benefit payments to contracting producers under the Agricultural Adjustment Act.

(h) ADMINISTRATION OF THE COTTON ACT OF 1934 (BANKHEAD ACT)

Appropriation, 1936	$6,000,000
Budget Estimate, 1937	6,000,000

Note.-- This work is financed entirely by transfer of funds from the permanent indefinite appropriation "Advances to Agricultural Adjustment Administration."

PROJECT STATEMENT

Projects	1935	1936 (Estimated)	1937 (Estimated)
Administration of the Cotton Act of 1934:			
Received from "Advances to Agricultural Adjustment Administration", 1935, 1936, and 1937	$3,750,000	$6,000,000	$6,000,000
1935 appropriation obligated in 1936 ..	- 410,933	+ 410,933	-----
1934 appropriation obligated in 1935 ..	7,729,704	-----	-----
Total obligations	11,068,771(1)	6,410,933(1)	6,000,000(1)

(1) Includes funds transferred to other Government agencies, as follows:

Agency	1935	1936	1937
Bureau of Internal Revenue (Treasury Department)	$991,556	$1,200,000	$1,200,000
Extension Service (Department of Agriculture)	9,084,395	3,537,500	3,537,500
Bureau of Agricultural Economics (Department of Agriculture)	60,728	-----	-----
Total	10,136,679	4,737,500	4,737,500

WORK DONE UNDER THIS APPROPRIATION

Funds for this activity are provided by transfer from the appropriation "Advances to Agricultural Adjustment Administration." The work of administering the Bankhead Cotton Act involves an extensive organization for the determination of production quotas, the distribution of tax exemption certificates to producers, the identifying and tagging of tax-exempt cotton, and the collection of taxes by the Bureau of Internal Revenue.

The provisions of the Cotton Act of 1934 are effective with respect to the 1936-1937 crop only if the economic emergency in cotton production and marketing continues and that fact is so proclaimed by the President. In that event, the tax features of the Act will be continued if favored by two-thirds of the cotton producers voting.

(i) ADVANCES TO SECRETARY OF AGRICULTURE FOR COTTON

Note.-- Section 4 (b) of the Act of June 19, 1934 (Emergency Appropriation Act, 1935), as amended as of August 24, 1935, authorizes the Secretary of the Treasury, in his discretion, to advance to the Secretary of Agriculture out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000 for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and for discharging any lien or liens which may have arisen or may arise pursuant to part 1 of the Agricultural Adjustment Act, for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of part 1 of the Agricultural Adjustment Act. Section (c) provides that the funds authorized by subsection (b) shall be made available to the Secretary of Agriculture from time to time upon his request and with the approval of the Secretary of the Treasury. (Public No. 412, 73d Congress, 48 Stat., p. 1058, as amended by Sec. 35 of Public No. 320, 74th Congress).

The Budget schedules indicate that $22,500,000 was advanced under this authority in the fiscal year 1935 and that the remainder of the authorization ($77,500,000) is estimated for obligation during the fiscal year 1936.

(j) SPECIAL DEPOSITS (COTTON)

These schedules reflect financial transactions in connection with the acquisition and disposition of spot cotton and cotton-futures contracts by the Secretary of Agriculture, as provided for by part 1, title 1, of the Agricultural Adjustment Act, approved May 12, 1933, as amended.

Trust Accounts

(k) NATIONAL SURPLUS COTTON TAX EXEMPTION CERTIFICATE POOL

This trust account provides for funds received under trust agreements entered into by certain cotton producers and the Secretary of Agriculture, authorized by Sec. 9 (d) of the Cotton Act of 1934 (Public No. 169, approved April 21, 1934), as amended. The obligations incurred hereunder in 1935 and estimated for 1936 and 1937 are:

1935	$16,005,435
1936	10,000,000
1937	10,000,000

(l) PROCEEDS, DISTILLED SPIRITS INDUSTRY, PARITY PAYMENTS

This trust account provides for handling funds collected under Marketing Agreement No. 27, entered into by certain members of the distilled spirits industry and the Secretary of Agriculture (Secs. 2 and 8, Act of May 12, 1933). The amounts obligated in 1935 and estimated for obligation in 1936 hereunder are:

1935	$763,604
1936	34,300

Trust Account

(m) PUERTO RICO TRUST FUND (PROCESSING TAXES, SUGAR)

This fund provides for payments to contracting producers in connection with the adjustment of sugarcane production in Puerto Rico, payable from funds accruing from sugar processing tax collections in Puerto Rico, authorized by Sec. 15 (f) of the Agricultural Adjustment Act, as amended (Puerto Rico Tax Fund Order No. 4, issued by presidential proclamation April 24, 1935). The amount obligated hereunder in 1935 was $2,250,000.

(n) ELIMINATION OF DISEASES IN CATTLE, DEPARTMENT OF AGRICULTURE

This item is discussed in the "Miscellaneous" Section of the Estimates. Of the total appropriation of $10,000,000 provided by Section 37 of the Act of August 24, 1935 for the purposes of Section 6 of the Act of April 7, 1934 (Jones-Connally Act) for the fiscal year 1936, $350,000 has been allotted to the Agricultural Adjustment Administration and will be used for the purchase of surplus dairy products to be made available for distribution through relief channels. An allotment of $7,500,000 for the same purpose, out of the total estimate of $17,500,000 for 1937, is also proposed.

EMERGENCY FUNDS

Direct Allotments

Projects	Obligated, 1935	Estimated obligations, 1936
National Industrial Recovery Act:		
For supplementing proceeds derived from processing taxes in connection with corn and hog adjustment programs	$24,875,806	-----
For administrative expenses in connection with code histories which are under the jurisdiction of the Secretary of Agriculture	205,119	$98,881
Total, National Industrial Recovery Act	25,080,925	98,881
Loans and Relief in Stricken Agricultural Areas (Emergency Appropriation Act, 1935):		
For purchase and disposition of livestock and seed to provide relief in stricken agricultural areas	84,095,560(1)	-----
Total Emergency Funds (Direct Allotments)	109,176,485	98,881

(1) Includes funds transferred to other Government agencies, as follows:

Agency	1935
Bureau of Dairy Industry	$1,180
Bureau of Plant Industry	88,303
Bureau of Agricultural Economics	262,500
Bureau of Indian Affairs (Department of Interior)	800,000
Total transferred funds	$1,151,983

ESTIMATES IN PUBLIC WORKS SECTION OF THE BUDGET INVOLVING ROAD FUNDS ADMINISTERED BY THE DEPARTMENT OF AGRICULTURE

A. BUREAU OF PUBLIC ROADS

(a) FEDERAL-AID HIGHWAY SYSTEM

Agricultural Appropriation Act, 1936.....	$48,559,256.14
Budget Estimate for Federal-Aid Highway System, 1937.....	60,000,000.00

Section 4 of the Act of June 18, 1934 (48 Stat., pp. 993-996) authorized $125,000,000 to be appropriated for the fiscal year 1936 for expenditure pursuant to the provisions of the Federal Highway Act. Of the $48,559,256.14 provided in the Agricultural Appropriation Act for 1936, $8,559,256.14 was in fulfillment of the unappropriated portion of the authorization for the fiscal year 1933 and $40,000,000 applied to the $125,000,000 authorized for 1936, to meet contractual obligations under the existing authority of the Secretary of Agriculture to approve projects up to the full $125,000,000 authorized. The $60,000,000 estimated in the Budget for 1937 also applies toward the $125,000,000 authorized for 1936, making, when appropriated, $100,000,000 in all appropriated and $25,000,000 remaining for subsequent appropriation. Is is estimated that the $60,000,000 recommended in the Budget will be sufficient to meet contractual obligations under the 1936 authorization which will mature during the fiscal year 1937.

The Budget estimate also provides that the Secretary of Agriculture shall defer until January 1, 1937 action upon projects submitted to him under his apportionment of the $125,000,000 authorized to be appropriated for 1937 and for the cancellation of that authorization as to the fiscal year 1937, and that it shall be applicable instead to the fiscal year 1938, in view of the fact that there has been made available, during the fiscal year period 1933-1936, $1,000,000,000 of emergency funds, of which there will be available for expenditure in the fiscal year 1937 approximately $230,000,000, in addition to the $60,000,000 estimated for under the item "General Public Works Program."

CHANGES IN LANGUAGE

The language included in the public-works section of the estimates for 1937 covering the item for Federal highways consists of the paragraph contained in the Agricultural Appropriation Act for 1936, amended as follows:

(1) Directing the Secretary of Agriculture to defer until January 1, 1937, action upon projects submitted to him under his apportionment of the $125,000,000 authorized to be appropriated for the fiscal year 1937 by Sec. 4 of the Act of June 18, 1934; and providing that this authorization of $125,000,000 for 1937 be cancelled as to that fiscal year and made applicable to the fiscal year 1938.

(2) Providing "That during the fiscal year 1937, the appropriations for the work of the Bureau of Public Roads shall be available for meeting the expenses of warehouse maintenance and the procurement, care, and handling

of supplies, materials, and equipment stored therein for distribution to projects under the supervision of the Bureau of Public Roads, and for sale and distribution to other Government activities, the cost of such supplies and materials or the value of such equipment (including the cost of transportation and handling), to be reimbursed to appropriations current at the time additional supplies, materials, or equipment are procured, from the appropriation chargeable with the cost or value of such supplies, materials, or equipment."

This provision will formally authorize a businesslike procedure in the handling of supplies and equipment through the several Bureau equipment depots. Anticipated supply requirements may be purchased in quantity with consequent saving in cost and later charged to the proper appropriations as the distribution to projects is made.

(3) Providing that not to exceed $500,000 from the administrative funds authorized by the Act approved November 9, 1921, and Acts amendatory thereof or supplemental thereto, in addition to the amount remaining available under the authorizations contained in the Agricultural Appropriation Acts approved May 27, 1930 and May 17, 1935 shall be available for the construction of a laboratory, on a site already acquired, for permanent quarters for the testing and research work of the Bureau of Public Roads.

In the Agricultural Appropriation Act of May 27, 1930 Congress authorized the use of $300,000 of the administrative road funds for the purchase of land and the erection of a laboratory for permanent quarters for the testing and research work of the Bureau of Public Roads. This authorization was reduced ten percent to $270,000 by the terms of the Act of June 30, 1932 (Public 212 - 72d Congress). The 1936 Agricultural Appropriation Act authorized the use of an additional $140,000 from administrative road funds. A site has been acquired adjacent to the Mount Vernon Memorial Highway north of Alexandria, Virginia, and there remains an unexpended balance of $249,545 of the two authorizations. Plans have been prepared, and estimates based on these plans indicate that an additional $500,000, or a total of $910,000, will be required to cover the cost of site and construction to provide for the testing and research activities now housed in inadequate structures at Arlington Farm and in the basement of the Winder Building in Washington.

PASSENGER-CARRYING VEHICLES

Continuation of the authorization for expenditure of not to exceed $45,000 for the purchase of passenger-carrying vehicles is recommended in order to permit the replacement of 75 vehicles at a net average cost of $600 each as set forth in detail in the Budget schedules.

WORK DONE UNDER ROAD APPROPRIATIONS

Cooperative highway work with all of the States was started under the Act of July 11, 1916. Under these appropriations the Federal Government cooperates with the several States and the Territory of Hawaii in improving highways as provided in the Federal Highway Act of November 9, 1921, and subsequent amendments. The Federal-aid highway system, to which regular Federal-aid expenditures are restricted, was initially limited to seven percent of the total highway mileage in each State. The routes in the system were selected

by the States and approved by the Secretary of Agriculture. Additions of one percent may be made to the system when provision has been made for the improvement of 90 percent of the approved mileage in any State. On June 30, 1935 the system included 226,783 miles of the principal highways of the country and connected all the principal cities, county seats, and other market centers in the United States. About 126,411 miles of this system have been improved with Federal-aid funds, and more than 4,947 miles additional were under construction or approved for construction on June 30, 1935. Funds provided under the National Industrial Recovery Act and subsequent emergency highway appropriations have been available for expenditure in improving secondary or feeder roads. As of June 30, 1935, there had been constructed 9,358 miles, and 4,636 miles additional were under construction or approved for construction of these secondary or feeder roads, which are not a part of the Federal-aid highway system. The initiation of and immediate supervision of the construction of Federal-aid projects are under the State highway departments, with engineers of the Bureau of Public Roads making frequent inspections and approving all work from the inception of a project until its completion.

Regular Federal-Aid Authorization

Section 4 of the Hayden-Cartwright Act of June 18, 1934 authorized appropriations of regular Federal Aid in the amount of $125,000,000 for the fiscal year ending June 30, 1936, and $125,000,000 for the fiscal year ending June 30, 1937. These funds must be matched by State funds and are available for improvement of the Federal-aid highway system. In accordance with the Federal Highway Act, the authorization for the fiscal year 1936 was apportioned on December 27, 1934. The apportionment by States follows;

Apportionment of Regular Federal-Aid Highway Funds for Fiscal Year 1936

State	Sum apportioned	State	Sum apportioned
Alabama	$2,604,320	New Jersey	$1,675,751
Arizona	1,781,347	New Mexico	1,999,299
Arkansas	2,142,723	New York	6,150,106
California	4,756,959	North Carolina	2,938,657
Colorado	2,288,811	North Dakota	1,960,162
Connecticut	791,253	Ohio	4,565,435
Delaware	609,375	Oklahoma	2,947,521
Florida	1,655,723	Oregon	2,044,633
Georgia	3,168,221	Pennsylvania	5,348,062
Hawaii	609,375	Rhode Island	609,375
Idaho	1,531,162	South Carolina	1,692,896
Illinois	5,160,696	South Dakota	2,036,775
Indiana	3,087,613	Tennessee	2,638,159
Iowa	3,231,718	Texas	7,777,504
Kansas	3,317,054	Utah	1,410,752
Kentucky	2,304,143	Vermont	609,375
Louisiana	1,776,939	Virginia	2,278,475
Maine	1,090,167	Washington	1,949,957
Maryland	1,025,870	West Virginia	1,356,793
Massachusetts	1,741,877	Wisconsin	3,045,557
Michigan	3,837,292	Wyoming	1,559,444
Minnesota	3,423,306		
Mississippi	2,196,524	Total	121,875,000
Missouri	3,800,856		
Montana	2,560,449	Reserved for administration and engineering	3,125,000
Nebraska	2,581,663		
Nevada	1,595,501		
New Hampshire	609,375		125,000,000

(b) EMERGENCY RELIEF APPROPRIATION ACT OF 1935

(Highways, Roads, Streets, and Grade-Crossing Elimination)

On May 16, 1935 the President approved an allocation of $400,000,000 to the Department of Agriculture for expenditure by the Bureau of Public Roads. This allocation was made under Section 1 of the Emergency Relief Appropriation Act of 1935 and provided $200,000,000 for highways, roads, and streets and $200,000,000 for the elimination of hazards at railroad grade crossings. These funds were apportioned among the States, in accordance with the terms of the Act, as shown by the following table:

APPORTIONMENT FOR HIGHWAYS, ROADS, STREETS, AND GRADE-CROSSING ELIMINATION

State	Highways, roads, and streets	Grade-crossing elimination	Total
Alabama	$4,151,115	$4,034,617	$8,185,732
Arizona	2,569,841	1,256,099	3,825,940
Arkansas	3,352,061	3,574,060	6,926,121
California	7,747,928	7,486,362	15,234,290
Colorado	3,395,263	2,631,567	6,026,830
Connecticut	1,418,709	1,712,684	3,131,393
Delaware	900,310	418,239	1,318,549
Florida	2,597,144	2,827,883	5,425,027
Georgia	4,988,967	4,895,949	9,884,916
Idaho	2,222,747	1,674,479	3,897,226
Illinois	8,694,009	10,307,184	19,001,193
Indiana	4,941,255	5,111,096	10,052,351
Iowa	4,991,664	5,600,679	10,592,343
Kansas	4,994,975	5,246,258	10,241,233
Kentucky	3,726,271	3,672,387	7,398,658
Louisiana	2,890,429	3,213,467	6,103,896
Maine	1,676,799	1,426,861	3,103,660
Maryland	1,750,738	2,061,751	3,812,489
Massachusetts	3,262,885	4,210,833	7,473,718
Michigan	6,301,414	6,765,197	13,066,611
Minnesota	5,277,145	5,395,441	10,672,586
Mississippi	3,457,552	3,241,475	6,699,027
Missouri	6,012,652	6,142,153	12,154,805
Montana	3,676,416	2,722,327	6,398,743
Nebraska	3,870,739	3,556,441	7,427,180
Nevada	2,243,074	887,260	3,130,334
New Hampshire	945,225	822,484	1,767,709
New Jersey	3,129,805	3,983,826	7,113,631
New Mexico	2,871,397	1,725,286	4,596,683
New York	11,046,377	13,577,189	24,623,566
North Carolina	4,720,173	4,823,958	9,544,131
North Dakota	2,867,245	3,207,473	6,074,718
Ohio	7,670,815	8,439,897	16,110,712
Oklahoma	4,580,670	5,004,711	9,585,381
Oregon	3,038,642	2,334,204	5,372,846
Pennsylvania	9,347,797	11,483,613	20,831,410
Rhode Island	989,208	699,691	1,688,899
South Carolina	2,702,012	3,059,956	5,761,968
South Dakota	2,976,454	3,249,086	6,225,540
Tennessee	4,192,460	3,903,979	8,096,439
Texas	11,989,350	10,855,982	22,845,332
Utah	2,067,154	1,230,763	3,297,917
Vermont	924,306	729,857	1,654,163
Virginia	3,652,667	3,774,287	7,426,954
Washington	3,026,161	3,095,041	6,121,202
West Virginia	2,231,412	2,677,937	4,909,349
Wisconsin	4,823,884	5,022,683	9,846,567
Wyoming	2,219,155	1,360,841	3,579,996
Dist. of Columbia	949,496	410,804	1,360,300
Hawaii	926,033	453,703	1,379,736
Reserved for engineering, supervision, and administration	5,000,000	4,000,000	9,000,000
Total	200,000,000	200,000,000	400,000,000

B. FOREST ROADS AND TRAILS

Agricultural Appropriation Act, 1936....$7,082,600
Budget Estimate for Forest Roads and
Trails, 1937..... 8,000,000

Section 5 of the Act of June 18, 1934 (48 Stat. p. 993) authorized an appropriation of $10,000,000 for forest roads and trails for each of the fiscal years 1936 and 1937. The $7,082,600 appropriated in the Agricultural Appropriation Act for 1936 included $582,600 in fulfillment of the authorization for the fiscal year 1933 and $6,500,000 toward the $10,000,000 authorized for 1936, leaving $3,500,000 for future appropriation. The $8,000,000 estimated for 1937, therefore, includes $3,500,000 for fulfillment of the 1936 authorization and $4,500,000 to apply toward the authorization for 1937, above referred to.

PROJECT STATEMENT

	1935	1936 (Estimated)	1937 (Estimated)
Forest Roads and Trails:			
Regular funds.....	$1,500,000	$7,082,600	$8,000,000(a)
Emergency funds (b).....	10,000,000	- - -	- - -
Total.....	11,500,000	7,082,600	8,000,000

(a) $3,500,000 of this amount will be used to pay contractual obligations of 1936 maturing during 1937.
(b) Emergency Appropriation Act, 1935.

CHANGES IN LANGUAGE

The paragraph for forest roads and trails carried in the general public works section of the Budget for 1937 continues the language contained in the Agricultural Appropriation Act for 1936, with the following amendments:

The citations of fiscal years have been changed to make the language appropriate for the fiscal year 1937. The citation of the Act approved June 18, 1934 is substituted for that of the Act approved May 5, 1930, since authorization for the appropriation is now carried in the more recent Act. The balance of the amount authorized to be appropriated for the fiscal year 1936 is made available for the fiscal year 1937.

The amount which may be expended on forest highways in Alaska is increased from $250,000 to $350,000, and the limitation is made to apply to all expenditures from this appropriation or from similar appropriations heretofore made for forest roads and trails, instead of only to those made from current appropriation.

The last proviso of the item, authorizing the use of $215,000 for land and buildings for storage and repair of road-construction equipment, is omitted because there is no further need for such authorization.

WORK DONE UNDER THIS APPROPRIATION

This appropriation is made for forest roads and trails under the provisions of Section 23 of the Federal Highway Act of November 9, 1921. It is divided into two parts - the Forest Highway fund and the Forest Road Development fund. The Forest Highway fund is expended for roads necessary to the forests but of primary importance to the States, counties, or communities within, adjoining, or adjacent to the national forests in the highway systems of the States. The Forest Road Development fund is appropriated and expended for roads and trails of primary importance to the administration, protection, and utilization of the national forests.

BOUND BY
HNM